


Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div> <div>2009</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

<b>A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009</b>				
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C Name of organization</b> THE HERITAGE FOUNDATION		<b>D Employer identification number</b> 23-7327730
		Doing Business As		<b>E Telephone number</b> (202) 546-4400
		Number and street (or P.O. box if mail is not delivered to street address) 214 MASSACHUSETTS AVENUE NE	Room/suite	<b>G Gross receipts \$</b> 160,322,844
		City or town, state or country, and ZIP + 4 WASHINGTON, DC 20002		
	<b>F Name and address of principal officer</b> DR EDWIN J FEULNER JR 214 MASS AVE NE WASHINGTON, DC 20002		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)  <b>H(c)</b> Group exemption number ▶	
<b>I Tax-exempt status</b> <input checked="" type="checkbox"/> 501(c) ( 3 ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J Website:</b> ▶ WWW.HERITAGE.ORG				
<b>K Form of organization</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation</b> 1973	<b>M State of legal domicile</b> DC	







## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities (see schedule o) To formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense		
	<b>2</b>	Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	2
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	2
	<b>5</b>	Total number of employees (Part V, line 2a) . . . . .	<b>5</b>	49
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	22
	<b>7a</b>	Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	
	<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	-1,42

Revenue		Prior Year	Current Year	
	8	Contributions and grants (Part VIII, line 1h) . . . . .	62,910,593	71,755,400
	9	Program service revenue (Part VIII, line 2g) . . . . .	50,250	331,511
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	6,378,806	-4,677,979
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,537,357	1,821,785
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	70,877,006	69,230,717
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . .	118,483	80,611
	14	Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	26,858,478	28,570,672
	16a	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	2,543,324	3,159,528
	b	Total fundraising expenses (Part IX, column (D), line 25) <u>14,194,368</u>		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	35,125,340	37,231,874
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	64,645,625	69,042,685
	19	Revenue less expenses Subtract line 18 from line 12 . . . . .	6,231,381	188,032
Net Assets or Fund Balances		Beginning of Current Year	End of Year	
	20	Total assets (Part X, line 16) . . . . .	159,673,533	183,342,796
	21	Total liabilities (Part X, line 26) . . . . .	26,457,395	27,148,226
	22	Net assets or fund balances Subtract line 21 from line 20 . . . . .	133,216,138	156,194,570

<b>Part II</b>	<b>Signature Block</b>
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<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	***** Signature of officer	2010-09-14 Date
	DR EDWIN J FEULNER JR PRESIDENT Type or print name and title	

<b>Paid</b>  <b>Preparer's</b>  <b>Use Only</b>	Preparer's signature  Bill Turco	Date	Check if self-employed  	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4  RSM MCGLADREY INC 9737 WASHINGTONIAN BLVD 400 GAITHERSBURG, MD 208787340			EIN 
				Phone no  (301) 296-3600

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

To formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

☒

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

☒

No

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ 23,441,695 including grants of \$ 44,583 ) (Revenue \$ )

(see schedule o)Public Policy Research The Heritage Foundation produces hundreds of research papers, web memos, blog posts, fact sheets, guides and books addressing a broad range of economic, domestic, defense, foreign and social policy issues These publications analyze both current public policies and alternative policy recommendations for substance and merit The results of our research are available in print format and at no charge through our website, which is visited by millions Additional information is available in our 2009 annual report, available online at heritage org

4b

(Code ) (Expenses \$ 14,449,478 including grants of \$ 24,383 ) (Revenue \$ )

(see schedule o)Media and Government Relations The Heritage Foundation distributes its research product to members of congress, congressional staff, policymakers in the executive branch of the federal government, state officials, journalists, members of the academic community, other non-profit organizations, the general public and donors, - who now total more than 671,000 The foundation conducted hundreds of briefings for officials, lawmakers and their staff on issues ranging from federal spending and unfunded liabilities to homeland security and tax policy Our analysts made over 1,900 radio and television appearances in 2009, and earned more than 1,200 op-ed placements in major print and online media outlets We sent out a daily newsletter, The Morning Bell, to over 140,000 subscribers, and published thousands of blog posts on The Foundry We also conducted in-depth issues-related seminars for members of the media, addressing topics such as healthcare and homeland security Finally, Heritage conducted "boot camps" teaching computer assisted research and reporting skills to more than 200 journalists Additional information is available in our 2009 annual report, available online at heritage org

4c

(Code ) (Expenses \$ 15,091,617 including grants of \$ 11,645 ) (Revenue \$ 1,140,286 )

(see schedule o)Educational Programs In addition to public policy research and dissemination, The Heritage Foundation hosts events and sponsors programs to educate government officials, the academic community, journalists and the general public on topics ranging from the founding fathers and civil society to political philosophy, and legal principles Our Lectures and Seminars program produces 185 of public events attracting more than 12,000 attendees OUR RESOURCE BANK CONFERENCE ATTRACTED 645 conservative policy experts and activists for three days of workshops and discussions And our intern program provides more than 160 young people an invaluable work-study experience in Washington, DC We trained and graduated 40 young Capitol Hill staffers from our Congressional Fellows program and hosted four national meetings and 44 regional meetings for our members, attracting more than 15,000 total participants Additional information is available in our 2009 annual report, available online at heritage org

4d

Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

















4e

Total program service expenses

\$ 52,982,790

Part IV

Checklist of Required Schedules

		Yes	No				
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes				
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes				
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No				
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	No				
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5					
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No				
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No				
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No				
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No				
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes				
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes				
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.						
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.						
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.						
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.						
	◆ Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.						
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.						
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	Yes				
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <table><tr><th>Yes</th><th>No</th></tr><tr><td></td><td>No</td></tr></table> 	Yes	No		No		
Yes	No						
	No						
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional						
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No				
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	Yes				
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I 	14b	Yes				
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II 	15	No				
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III 	16	No				
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I 	17	Yes				
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18	No				
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No				
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	No				

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35		No
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable . . . . .	1a	291	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return . . . . .	2a	499	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .			3b	Yes
4a 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)? . . . . .			4a	No
b If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? . . . . .			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .			7a	Yes
b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .			7b	Yes
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year . . . . .			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .			7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .			8	
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966? . . . . .			9a	
b Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .			9b	
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12 . . . . .			10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b	
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders . . . . .			11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .			11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . . . .	1a	22	
b	Enter the number of voting members that are independent . . . . .	1b	20	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	5		No
6	Does the organization have members or stockholders? . . . . .	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body? . . . . .	8a	Yes	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates? . . . . .	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11		No
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	12c	Yes	
13	Does the organization have a written whistleblower policy? . . . . .	13	Yes	
14	Does the organization have a written document retention and destruction policy? . . . . .	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes	
b	Other officers or key employees of the organization . . . . .	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶AK , AR , AZ , CA , CO , CT , DC , FL , GA , HI , IL , KS , KY , LA , MA , MD , ME , MI , MS , MN , MO , NC , ND , NJ , NH , NM , NY , OH , OK , OR , PA , RI , SC , TN , UT , VA , WA , WI , WV
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ VERN MCHARGUE 214 MASSACHUSETTS AVENUE NE WASHINGTON,DC 20002 (202) 546-4400

## **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

Form **990** (2009)

<b>1b</b>	<b>Total</b> . . . . .	6,156,577	0	859,495
-----------	------------------------	-----------	---	---------

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **72**

		<b>Yes</b>	<b>No</b>
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b>	No
<b>4</b>	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>4</b>	Yes
<b>5</b>	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	<b>5</b>	No

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Premiere Radio Networks 15260 Ventura Blvd Sherman Oaks, CA 91403	Mktg & Advertising	3,307,480
Factor Direct Inc 11500 Olympic Blvd Suite 54 los angeles, CA 90064	MKTG & FUNDRAISING	1,690,274
Conrad Direct Inc 300 Knickerbocker Rd Cresskill, NJ 07626	Consulting & Printing	1,549,162
Merkle Response Services Inc 100 Jamison Ct Hagerstown, MD 21740	Lockbox & Fulfillment	1,251,293
Corporate Press Inc 403 Brightseat Rd Landover, MD 20785	Printing	1,017,284

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **38**



Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c					
	d	Related organizations . . . .	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	71,755,400				
	g	Noncash contributions included in lines 1a-1f \$ 1,602,808						
	h	Total. Add lines 1a-1f . . . . .		71,755,400				
Program Service Revenue			Business Code					
	2a	PUBLICATION SALES	900,099	331,511	331,511			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f . . . . .		331,511				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		1,324,665			1,324,665	
	4	Income from investment of tax-exempt bond proceeds . . .						
	5	Royalties . . . . .		703,037			703,037	
	6a	Gross Rents	(i) Real	(ii) Personal				
			884,127					
			884,127					
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) . . . . .		884,127			884,127	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			85,089,483					
			91,092,127					
			-6,002,644					
	b	Less cost or other basis and sales expenses						
	c	Gain or (loss)						
	d	Net gain or (loss) . . . . .		-6,002,644			-6,002,644	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a					
			b	Less direct expenses . . . . .	b			
c	Net income or (loss) from fundraising events . . .							
9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a						
		b	Less direct expenses . . . . .	b				
c	Net income or (loss) from gaming activities . . .							
10a	Gross sales of inventory, less returns and allowances . . . . .	a						
		b	Less cost of goods sold . . . . .	b				
c	Net income or (loss) from sales of inventory . . .							
Miscellaneous Revenue		Business Code						
11a	OTHER INCOME	900,099	234,621			234,621		
b								
c								
d	All other revenue . . . . .							
e	Total. Add lines 11a-11d . . . . .		234,621					
12	Total revenue. See Instructions . . . . .		69,230,717	331,511	0	-2,856,194		

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	55,611	55,611		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	25,000	25,000		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	6,153,279	5,230,287	246,131	676,861
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
7	Other salaries and wages	17,382,626	14,775,232	695,305	1,912,089
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	1,453,504	1,235,479	58,140	159,885
9	Other employee benefits . . . . .	2,080,823	1,768,699	83,234	228,890
10	Payroll taxes . . . . .	1,500,440	1,275,374	60,018	165,048
11	Fees for services (non-employees)				
a	Management . . . . .				
b	Legal . . . . .	152,212	108,983	40,135	3,094
c	Accounting . . . . .	63,259	45,293	16,680	1,286
d	Lobbying . . . . .				
e	Professional fundraising See Part IV, line 17 . . . . .	3,159,528			3,159,528
f	Investment management fees . . . . .				
g	Other . . . . .	4,811,260	3,847,457	137,471	826,332
12	Advertising and promotion . . . . .	3,785,042	3,644,267	15,043	125,732
13	Office expenses . . . . .	15,762,648	11,350,113	201,584	4,210,951
14	Information technology . . . . .	1,567,968	1,233,965	37,613	296,390
15	Royalties . . . . .				
16	Occupancy . . . . .	1,608,499	1,532,658	63,681	12,160
17	Travel . . . . .	1,702,144	881,558	12,445	808,141
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	3,924,947	3,001,743	65,438	857,766
20	Interest . . . . .	209,271	159,733	5,682	43,856
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	2,784,812	2,125,600	75,614	583,598
23	Insurance . . . . .	170,799	153,299	14,177	3,323
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )				
a	HONORARIA/WRITER'S FEES	325,294	234,072	6,432	84,790
b	STAFF TRAINING	293,695	240,140	30,698	22,857
c	TEMPORARY STAFFING	70,024	58,227	6	11,791
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	69,042,685	52,982,790	1,865,527	14,194,368
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	13,809,066	11,481,159	0	2,327,907

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			750	1	750
	2	Savings and temporary cash investments . . . . .			4,907,678	2	7,948,531
	3	Pledges and grants receivable, net . . . . .			16,131,646	3	16,732,068
	4	Accounts receivable, net . . . . .				4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .				8	
	9	Prepaid expenses and deferred charges . . . . .			596,586	9	1,009,048
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	67,627,959			
	b	Less: accumulated depreciation . . . . .	10b	20,436,082	45,304,488	10c	47,191,877
	11	Investments—publicly traded securities . . . . .			51,873,080	11	44,748,246
	12	Investments—other securities. See Part IV, line 11 . . . . .			40,533,874	12	65,322,431
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			325,431	15	389,845
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			159,673,533	16	183,342,796
Liabilities	17	Accounts payable and accrued expenses . . . . .			8,018,018	17	8,381,758
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			3,970,918	23	3,779,999
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .			14,468,459	25	14,986,469
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			26,457,395	26	27,148,226
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>						
	27	Unrestricted net assets . . . . .			114,983,063	27	134,079,679
	28	Temporarily restricted net assets . . . . .			17,033,075	28	20,914,891
	29	Permanently restricted net assets . . . . .			1,200,000	29	1,200,000
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	<b>Total net assets or fund balances</b> . . . . .			133,216,138	33	156,194,570
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .			159,673,533	34	183,342,796

**Part XI**    **Financial Statements and Reporting**

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
<b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .	Yes	
<b>c</b> If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . .	Yes	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .		No
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization THE HERITAGE FOUNDATION	Employer identification number 23-7327730
-----------------------------------------------------	----------------------------------------------

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☒

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )

9

☐

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 exempt 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).** (Complete Part III )

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h  

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	43,185,255	46,853,892	47,138,503	62,910,593	71,755,400	271,843,643
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	43,185,255	46,853,892	47,138,503	62,910,593	71,755,400	271,843,643
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						9,465,918
6 Public Support. Subtract line 5 from line 4						262,377,725

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	43,185,255	3,244,525	47,138,503	62,910,593	71,755,400	271,843,643
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,945,352	3,244,525	4,046,946	4,096,511	2,911,829	17,245,163
9 Net income from unrelated business activities, whether or not the business is regularly carried on	101,599					101,599
10 Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets	2,184,889	3,922,121	6,187,141	104,561	234,621	12,633,333
11 Total support (Add lines 7 through 10)						301,823,738
12 Gross receipts from related activities, etc (See instructions )					12	1,757,854
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	86 930 %
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	85 200 %
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6 )						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
13 Total support (Add lines 9, 10c, 11 and 12 )						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

**Part IV**

**Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions



Additional Data

Software ID:  
Software Version:  
EIN: 23-7327730  
Name: THE HERITAGE FOUNDATION

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DAVID BROWN CHAIRMAN	2 00	X		X				0	0	0
EDWIN J FEULNER PRESIDENT	40 00	X		X				921,613	0	61,498
FREDERIC RENCH SECRETARY	2 00	X		X				0	0	0
RICHARD SCAIFE VICE CHAIRMAN	2 00	X		X				0	0	0
PHILLIP N TRULUCK EXECUTIVE VICE PRESIDENT	40 00	X		X				557,077	0	61,498
DOUG ALLISON DIRECTOR	2 00	X						0	0	0
LARRY ARNN DIRECTOR	2 00	X						0	0	0
BELDEN BELL DIRECTOR	2 00	X						0	0	0
HOLLAND COORS DIRECTOR	2 00	X						0	0	0
MIDGE DECTOR DIRECTOR	2 00	X						0	0	0
STEVE FORBES DIRECTOR	2 00	X						0	0	0
BARB GABY DIRECTOR	2 00	X						0	0	0
ROBERT HERBOLD DIRECTOR	2 00	X						0	0	0
TODD HERRICK DIRECTOR	2 00	X						0	0	0
JERRY HUME DIRECTOR	2 00	X						0	0	0
KAY COLES JAMES DIRECTOR	2 00	X						0	0	0
LEE KLINETOBE DIRECTOR	2 00	X						0	0	0
J WILLIAM MIDDENDORF II DIRECTOR	2 00	X						0	0	0
NERSI NAZARI DIRECTOR	2 00	X						0	0	0
THOMAS SAUNDERS DIRECTOR	2 00	X						0	0	0
BRIAN TRACY DIRECTOR	2 00	X						0	0	0
MARION WELLS DIRECTOR	2 00	X						0	0	0
STUART M BUTLER V p DOMESTIC policy	40 00			X				250,919	0	58,548
BECKY NORTON DUNLOP V p EXTERNAL Relations	40 00			X				201,650	0	35,973
MICHAEL G FRANC V P GOV RELATIONS	40 00			X				213,895	0	47,082

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KIM R HOLMES V P FOREIGN policy	40 00			X				236,079	0	51,972
John Von Kannon V P & TREASURER	40 00			X				246,371	0	56,548
EDWIN MEESE III DISTINGUISHED fellow	40 00			X				337,799	0	59,548
KATHLEEN ROWAN EXECUTIVE ASSISTANT	40 00			X				105,310	0	15,162
TED E SCHELENSKI V P F&O	40 00			X				200,920	0	35,595
MICHAEL A SPILLER V p IT	40 00			X				185,895	0	39,697
COLIN STEWART V p DEVELOPMENT	40 00			X				136,979	0	7,291
GENEVIEVE E WOOD V p STRAT Initiatives	40 00			X				193,571	0	33,325
John-Peter fogarty v p development	40 00			X				133,718	0	17,956
Miguel gonzalez v p communications	40 00			X				120,851	0	9,373
elaine chao Distinguished Fellow	40 00				X			235,564	0	21,394
RICHARD T MILLER Director	40 00			X				166,899	0	13,895
JAMES J CARAFANO DIRECTOR	40 00				X			166,623	0	13,873
WILLIAM W BEACH DIRECTOR, CDA	40 00					X		160,451	0	25,974
HELLE C DALE DIRECTOR, ALLISON CENTER	40 00					X		154,580	0	25,450
JAMES D FOSTER SENIOR FELLOW	40 00					X		198,750	0	30,067
ERNEST ISTOOK DISTINGUISHED FELLOW	40 00					X		261,007	0	22,575
JAMES M TALENT DISTINGUISHED FELLOW	40 00					X		175,156	0	14,839
TODD F GAZIANO DIRECTOR	40 00					X		152,606	0	25,133
ROBERT MOFFIT DIRECTOR	40 00					X		148,844	0	26,016
ALISON A FRASER DIRECTOR	40 00					X		147,061	0	24,651
ROBERT BOOK SENIOR FELLOW	40 00					X		146,389	0	24,562

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

<b>Name of the organization</b> THE HERITAGE FOUNDATION	<b>Employer identification number</b> 23-7327730
------------------------------------------------------------	-----------------------------------------------------

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1	Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area</div> <div><input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div>											
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
	(ii) Assets included in Form 990, Part X	▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b	Assets included in Form 990, Part X	▶ \$ _____

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance . . . . .	77,648,479	121,139,738			
b Contributions . . . . .	2,654,127	45,519			
c Investment earnings or losses . . . . .	17,133,224	-33,316,083			
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	3,750,000	10,000,000			
f Administrative expenses . . . . .	333,652	220,695			
g End of year balance . . . . .	93,352,178	77,648,479			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment 98 720 % %

b

Permanent endowment 1 280 % %

c

Term endowment %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations . . . . .

3a(i)

No

(ii) related organizations . . . . .

3a(ii)

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		7,964,393		7,964,393
b Buildings . . . . .		49,838,398	13,536,751	36,301,647
c Leasehold improvements . . . . .				
d Equipment . . . . .				
e Other . . . . .		9,825,168	6,899,331	2,925,837
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				47,191,877

Schedule D (Form 990) 2009



Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	69,230,717
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	69,042,685
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	188,032
4	Net unrealized gains (losses) on investments	4	23,789,519
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-999,119
9	Total adjustments (net) Add lines 4 - 8	9	22,790,400
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	22,978,432

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	92,021,117
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	23,789,519
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	-999,119
e	Add lines 2a through 2d . . . . .	2e	22,790,400
3	Subtract line 2e from line 1 . . . . .	3	69,230,717
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	69,230,717

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	69,042,685
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	69,042,685
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	69,042,685

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	THE LONG-TERM INVESTMENT FUND, CONSISTING OF MULTIPLE FUNDED PROGRAMS, GENERAL BOARD DESIGNATED FUNDS AND OPERATING RESERVES, HAS BEEN ESTABLISHED IN ORDER TO SUPPORT THE GROWTH AND OPERATIONS OF THE FOUNDATION. THE INVESTMENTS IN THE FUND WILL BE MADE FOR THE EXCLUSIVE BENEFIT OF THE FOUNDATION. INDIVIDUAL DONOR-RESTRICTED FUNDS WILL BE GOVERNED BY THE TERMS OF THEIR GOVERNING PLAN DOCUMENTS. SEPARATE ACCOUNTING IS MAINTAINED FOR EACH FUND. FUNDS ARE USED ANNUALLY TO SUPPORT PROGRAMS IN ACCORDANCE WITH THE FOUNDATION'S SPENDING POLICY OR AS STIPULATED BY THE DONOR(S). THE LONG-TERM FUND INCLUDES A PERMANENT FUND, ESTABLISHED BY THE BOARD OF TRUSTEES, WITH THE MAIN OBJECTIVE OF LONG-TERM GROWTH OF CAPITAL IN ACCORDANCE WITH DONOR WISHES. THE PERMANENT FUND IS INCLUDED IN THE CALCULATION OF ANNUAL DRAWS USED TO SUPPORT THE OPERATIONS OF THE FOUNDATION.
Part XI, Line 8 - Other Adjustments		Change in value of split interest agreements -1061518 UNREALIZED GAIN - INTEREST RATE SWAP 62399
Part XII, Line 2d - Other Adjustments		UNREALIZED GAIN - INTEREST RATE SWAP 62399 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT -1061518

OMB No 1545-0047

**Open to Public Inspection**

23-7327730

**3** Activites per Region (Use Schedule F-1 (Form 990) if additional space is needed )

Schedule F (Form 990) 2009

[illegible]**Schedule F (Form 990) 2009**



**Part III** **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Use Schedule F-1 (Form 990) if additional space is needed.

[illegible]

Complete this part to provide the information required in Part I, line 2, and any additional information.

**Schedule F (Form 990) 2009**

SCHEDULE G  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information Regarding  
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,  
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization  
THE HERITAGE FOUNDATION

Employer identification number  
23-7327730

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☒ Mail solicitations

e ☐ Solicitation of non-government grants

b ☒ Internet and e-mail solicitations

f ☐ Solicitation of government grants

c ☒ Phone solicitations

g ☐ Special fundraising events

d ☐ In-person solicitations
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☒ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Odell Simms & Associates	Consults on Direct Mail Program		No	16,299,855	677,438	15,622,417
Warfield & Walsh Inc	Consults on Direct Mail Program		No	2,845,928	237,673	2,608,255
FACTOR DIRECT INC	TELEMARKETING PROGRAMS & THANK YOU FOLLOW Ups		No	1,041,403	1,690,274	-648,871
BMD Full Service Direct Marketing	Consults on Direct Mail Program		No	720,674	82,459	638,215
KMA Direct Communication	Direct Mail Prospecting		No	21,012	471,684	-450,672
Total . . . . . ▶				20,928,872	3,159,528	17,769,344

- 3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.
- AL,AK,AZ,AR,CO,CT,DE,DC,FL,HI,ID,IA,IL,IN,KS,KY,LA,ME,MA,MD,MT,MS,MO,MI,NE,NV,NH,NJ,NY,NM,NC,ND,OH,OK,OR,PA,RI,SC,SD, TN,TX,UT,VT,VA,WA,WV,WI,WY

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col (a) through col (c))
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts . . . .			
	2	Less Charitable contributions . . . .			
	3	Gross income (line 1 minus line 2) . . . .			
Direct Expenses	4	Cash prizes . . . .			
	5	Non-cash prizes . . . .			
	6	Rent/facility costs . . . .			
	7	Food and beverages . . . .			
	8	Entertainment . . . .			
	9	Other direct expenses . . . .			
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			
	11	Net income summary Combine lines 3, column d, and line 10. . . . . ▶			

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1	Gross revenue . . . . .			
	2	Cash prizes . . . . .			
	3	Non-cash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
Direct Expenses	6	Volunteer labor . . . . . <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶			
	8	Net gaming income summary Combine lines 1, column d, and line 7 . . . . . ▶			

		Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____		
a	Is the organization licensed to operate gaming activities in each of these states? . . . . .	9a	
b	If "No," Explain _____ _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____ _____		
11	Does the organization operate gaming activities with nonmembers? . . . . .	11	
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . .	12	

		<b>Yes</b>	<b>No</b>
<b>13</b>	Indicate the percentage of gaming activity operated in		
<b>a</b>	The organization's facility . . . . . <b>13a</b>		
<b>b</b>	An outside facility . . . . . <b>13b</b>		
<b>14</b>	Enter the name and address of the person who prepares the organization's gaming/special events books and records		
Name ►			
Address ►			
<b>15a</b>	Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . .	<b>15a</b>	
<b>b</b>	If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____		
<b>c</b>	If "Yes," enter name and address		
Name ►			
Address ►			
<b>16</b>	Gaming manager information		
Name ►			
Gaming manager compensation ► \$ _____			
Description of services provided ►			
<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
<b>17</b>	Mandatory distributions		
<b>a</b>	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . .	<b>17a</b>	
<b>b</b>	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$		

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Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

DLN: 93493257010040

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization  
THE HERITAGE FOUNDATION

Employer identification number  
23-7327730

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

Yes

No

2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . .

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CAPITOL HILL - BUSINESS IMPROVEMENT DISTRICT (CHBID)30 Massachusetts Ave NE WASHINGTON,DC 20002	522232461	501(c)(6)	37,575				Clean, safety and beautification programs in the Capitol Hill Community
Intercollegiate Studies Institute9510 Technology Dr manassas,VA 20110	221841274	501(c)(3)	7,500				General Support Research

2

Enter total number of section 501(c)(3) and government organizations . . . . .

1

3

Enter total number of other organizations . . . . .

1

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50055P

Schedule I (Form 990) 2009

**Part III** **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
The Salvatori Prize for American Citizenship	1	25,000			
See Additional Data Table					

**Part IV** **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

[illegible]

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
THE HERITAGE FOUNDATION

Employer identification number  
23-7327730

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <div><div>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a	No
		4b	No
		4c	No
5	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III	5a	No
		5b	No
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III	6a	No
		6b	No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	



For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

[illegible]

**Part III**   **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 23-7327730

Name: THE HERITAGE FOUNDATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation				(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation					
EDWIN J FEULNER	(i) (ii)420,255 0	489,100 0	12,258 0		49,000 0	19,021 0	989,634 0	0 0
PHILLIP N TRULUCK	(i) (ii)275,256 0	273,100 0	8,721 0		49,000 0	18,815 0	624,892 0	0 0
STUART M BUTLER	(i) (ii)192,755 0	54,600 0	3,564 0		46,050 0	21,286 0	318,255 0	0 0
BECKY NORTON DUNLOP	(i) (ii)164,985 0	34,800 0	1,865 0		30,162 0	9,264 0	241,076 0	0 0
MICHAEL G FRANC	(i) (ii)167,150 0	45,600 0	1,145 0		34,584 0	18,685 0	267,164 0	0 0
KIM R HOLMES	(i) (ii)188,255 0	45,600 0	2,224 0		39,474 0	18,681 0	294,234 0	0 0
John Von Kannon	(i) (ii)188,255 0	54,600 0	3,516 0		44,050 0	18,762 0	309,183 0	0 0
EDWIN MEESE III	(i) (ii)278,255 0	54,600 0	4,944 0		47,050 0	20,025 0	404,874 0	0 0
TED E SCHELENSKI	(i) (ii)158,985 0	36,600 0	5,335 0		29,784 0	9,672 0	240,376 0	0 0
MICHAEL A SPILLER	(i) (ii)153,389 0	32,100 0	406 0		27,199 0	19,326 0	232,420 0	0 0
GENEVIEVE E WOOD	(i) (ii)168,583 0	24,600 0	388 0		27,514 0	8,459 0	229,544 0	0 0
John-Peter fogarty	(i) (ii)119,429 0	14,100 0	189 0		12,145 0	8,382 0	154,245 0	0 0
elaine chao	(i) (ii)232,942 0	300 0	2,322 0		21,394 0	1,790 0	258,748 0	0 0
RICHARD T MILLER	(i) (ii)151,035 0	13,800 0	2,064 0		13,895 0	3,579 0	184,373 0	0 0
JAMES J CARAFANO	(i) (ii)147,280 0	18,600 0	743 0		13,873 0	2,150 0	182,646 0	0 0
WILLIAM W BEACH	(i) (ii)141,455 0	16,825 0	2,171 0		13,476 0	18,717 0	192,644 0	0 0
HELLE C DALE	(i) (ii)141,516 0	12,300 0	764 0		12,952 0	18,258 0	185,790 0	0 0
JAMES D FOSTER	(i) (ii)195,280 0	2,500 0	970 0		17,569 0	16,392 0	232,711 0	0 0
ERNEST ISTOOK	(i) (ii)258,385 0	300 0	2,322 0		22,575 0	2,829 0	286,411 0	0 0
JAMES M TALENT	(i) (ii)174,025 0	300 0	831 0		14,839 0	2,151 0	192,146 0	0 0
TODD F GAZIANO	(i) (ii)136,685 0	15,450 0	471 0		12,635 0	16,973 0	182,214 0	0 0
ROBERT MOFFIT	(i) (ii)131,691 0	15,000 0	2,153 0		13,518 0	17,490 0	179,852 0	0 0
ALISON A FRASER	(i) (ii)130,465 0	15,900 0	696 0		12,153 0	18,499 0	177,713 0	0 0
ROBERT BOOK	(i) (ii)145,800 0	300 0	289 0		12,064 0	17,614 0	176,067 0	0 0

SCHEDULE M  
(Form 990)

NonCash Contributions

OMB No 1545-0047

2009

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

Name of the organization  
THE HERITAGE FOUNDATION

Employer identification number  
23-7327730

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art . . . . .	X	1	0	
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	61	1,547,119	market value from sales
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ► ( ADVERTISING )	X	1	53,261	market comps
MINERAL				
26 Other ► ( RIGHTS )	X	1	2,428	market comps
27 Other ► ( )				
28 Other ► ( )				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .			29	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .				Yes No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?				No
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions? . . . . .				No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Non Reporting of Revenue	Part I, Line 33	THE ORGANIZATION HAS ELECTED IN ACCORDANCE WITH FAS 116 NOT TO RECORD THE VALUE OF DONATED WORKS OF ART DESCRIBED AS "THE GULAG COLLECTION OF PAINTINGS BY NICKOLAI GETMAN"

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.**

OMB No 1545-0047

**2009**

**Open to Public  
Inspection**

**Name of the organization**  
THE HERITAGE FOUNDATION

**Employer identification number**

23-7327730

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Chief Accountant compiles necessary information to complete Form 990. Paid tax preparers then assist in completing the form for further review by management. Drafts are reviewed by the Foundation's Controller and Assistant Controller. The completed draft is then reviewed by the V P of Finance & Operations. Once all corrections have been made, the form is reviewed by the President/CEO and Executive V P. Though the board does not review the 990 prior to filing, the board does receive a completed copy of the 990 after filing.
Form 990, Part VI, Section B, line 12c		All new employees are provided a copy of the Foundation's employee handbook, which addresses conflicts of interest. Employees must sign and acknowledge they have reviewed and will adhere to all policies contained within the Foundation's employee handbook. Specifically, the employee handbook states, "No employee will do anything in the conduct of Heritage operations that would violate any federal, state, or local law, regulation, or ordinance. Outside work which is in conflict with the efforts of the Foundation is prohibited." The Heritage Foundation also maintains a conflict of interest policy for all trustees, who are required to sign an annual disclosure of conflicts of interest.
Form 990, Part VI, Section B, line 15		Compensation, including salaries, bonuses and benefits, for our President, Executive Vice President, and other members of senior management is authorized by the Heritage Foundation's independent Board of Trustees, and based on the recommendation of the Board's Compensation Committee. In 2009, the Compensation Committee was comprised of five independent, volunteer Board members who were not, and have never been, employees of the Foundation. In developing its recommendations, the Committee considers market data and other salary and benefit survey information regarding the compensation of similarly situated executives, which is prepared for the Committee by an outside compensation expert. Because the management and leadership skills of Heritage Executives have a significant effect on the foundation's success, a significant portion of cash compensation is in the form of a bonus. Bonuses are contingent on the success of the organization, the departments the executive leads, and their own performance and achievement of established goals. Goals are reviewed mid-year and annually and quarterly reports of Foundation activities are provided to the Board. In considering and approving total compensation for 2009, the Compensation Committee and the full board of trustees also approved benefits provided under an employer-funded qualified retirement plan, group health, life and long-term disability and long-term care insurance plans, and other benefits.
Form 990, Part VI, Section C, line 19		The Heritage Foundation makes its 990 and financial statements, available upon request in compliance with the law.