

Part IIISTatement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1Briefly describe the organization’s mission

PLEASE REFER TO IHI'S MISSION STATEMENT AS OUTLINED ON PAGES 1 - 3 OF SCHEDULE O

2Did 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

3Did 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

4Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 \$ 10,963,166 including grants of \$ 3,272,105) (Revenue \$)
GRANTS THE ORGANIZATION RECEIVED AND EXPENDED FUNDS FOR A VARIETY OF PURPOSES IN THE PURSUIT OF ITS MISSION THESE INCLUDED PROGRAMS TO PROVIDE PATIENT SELF-MANAGEMENT SKILLS, IMPROVE CARE AT THE BEDSIDE, DISSEMINATE MEDICAL BEST PRACTICES, IMPROVE CHRONIC CARE, AND REDUCE MORTALITY AND UNNECESSARY HOSPITALIZATIONS THESE EFFORTS CONTRIBUTE TO IHIS GROWING KNOWLEDGE OF OPTIMAL SYSTEM DESIGNS THAT CAN DRAMATICALLY IMPROVE PATIENT CARE

4b(Code) (Expenses \$ 7,867,973 including grants of \$) (Revenue \$ 9,307,708)
COURSES AND OTHER PROGRAMS -PROFESSIONAL DEVELOPMENT PROGRAMS PROFESSIONAL DEVELOPMENT PROGRAMS AND SHORTER TWO DAY SEMINARS ARE OFFERED TO HELP ORGANIZATIONS DEVELOP THEIR INTERNAL CAPACITY AND INFRASTRUCTURE FOR SAFETY AND IMPROVEMENT IHI'S WORLD CLASS SEMINARS OFFER HEALTH CARE PROFESSIONALS MANY OPPORTUNITIES TO LEARN THE LATEST IMPROVEMENT IDEAS, CONNECT WITH LIKE MINDED COLLEAGUES, AND GENERATE MOMENTUM FOR CHANGE IN THEIR ORGANIZATIONS -INTERNATIONAL SUMMIT ON IMPROVING PATIENT CARE IN THE OFFICE PRACTICE AND THE COMMUNITY THIS ANNUAL WORLD CLASS CONFERENCE FEATURES TOP FACULTY WHO BRING THE BEST IDEAS ON AREAS THAT ARE RIPE FOR IMPROVEMENT WITHIN THE OFFICE PRACTICE AND COMMUNITY BASED CARE SETTINGS OFFICE PRACTICE STAFF AND COMMUNITY CARE ORGANIZATIONS COME TOGETHER TO SHARE THEIR GROWING KNOWLEDGE AND BUILD NEW PARTNERSHIPS TO DELIVER RELIABLE, PATIENT-CENTERED, EVIDENCE-BASED CARE FOR EVERY PATIENT, EVERY TIME -INTERNATIONAL FORUM ON QUALITY AND SAFETY IN HEALTHCARE THIS ANNUAL CONFERENCE IS JOINTLY ORGANIZED BY IHI AND THE BRITISH MEDICAL JOURNAL (BMJ) GROUP HELD EACH SPRING, THE INTERNATIONAL FORUM BRINGS TOGETHER 2,000 HEALTH CARE LEADERS, CLINICIANS, AND IMPROVERS FROM MORE THAN 60 COUNTRIES TO TAKE PART IN A MULTITUDE OF SESSIONS THAT RANGE FROM THE BASIC DISCIPLINES OF QUALITY IMPROVEMENT TO THE LATEST THINKING IN HOW TO IMPROVE QUALITY AND SAFETY -APAC FORUM ON QUALITY IMPROVEMENT IN HEALTHCARE THIS ANNUAL CONFERENCE IS PRESENTED BY IHI AND KO AWATEA, AND IS THE ONLY MAJOR CONFERENCE ON QUALITY IMPROVEMENT AND INNOVATION IN HEALTHCARE FOR THE ASIA PACIFIC REGION WORLD LEADERS AND SPECIALISTS IN THE ARENA OF INNOVATION AND HEALTHCARE IMPROVEMENT SHARE THEIR LEARNINGS AND SUCCESSSES, SHOWCASE NEW IDEAS, AND STIMULATE DISCUSSIONS ON INNOVATION IN HEALTHCARE TO THE APPROXIMATELY 1,000 ATTENDEES ANNUALLY - PASSPORT AND EXPEDITIONS PASSPORT AND EXPEDITIONS ARE TWO PROGRAMS THAT PROVIDE ADDITIONAL SUPPORT TO ORGANIZATIONS IN THEIR IMPROVEMENT EFFORTS PASSPORT IS THE INSTITUTE'S COST EFFECTIVE MEMBERSHIP PROGRAM THAT PROVIDES ACCESS TO PRACTICAL TOOLS AND EXPERT SUPPORT TO HELP ORGANIZATIONS REACH THEIR IMPROVEMENT GOALS EXPEDITIONS ARE TWO- TO FOUR-MONTH, INTERACTIVE, WEB-BASED PROGRAMS THAT HELP HOSPITALS IMPLEMENT KEY COMPONENTS OF THE IHI IMPROVEMENT MAP -IHI TRIPLE AIM IHI BELIEVES THAT DRAMATIC IMPROVEMENT OF A HEALTH CARE SYSTEM CAN BEST BE ACHIEVED THROUGH AN OVERARCHING AGENDA THAT SEEKS TO OPTIMIZE PERFORMANCE ON THREE DIMENSIONS OF CARE BETTER CARE FOR INDIVIDUALS, BETTER HEALTH FOR POPULATIONS, AND LOWER PER CAPITA COSTS WE ARE LEADING CUTTING EDGE INITIATIVES ORGANIZED AROUND THE SIMULTANEOUS PURSUIT OF THESE GOALS - WHAT IHI CALLS THE TRIPLE AIM -IHI OPEN SCHOOL FOR HEALTH PROFESSIONS THE IHI OPEN SCHOOL IS AN INTERPROFESSIONAL EDUCATIONAL COMMUNITY THAT PROVIDES STUDENTS WITH THE SKILLS TO BECOME CHANGE AGENTS IN HEALTH CARE THE IHI OPEN SCHOOL HAS OVER 575 CHAPTERS IN MORE THAN 59 COUNTRIES AROUND THE WORLD, AND A GROWING PORTFOLIO OF ONLINE COURSES THAT ARE FREELY AVAILABLE TO HEALTH PROFESSIONS STUDENTS AND FACULTY IN TOPICS SUCH AS QUALITY IMPROVEMENT, PATIENT SAFETY, LEADERSHIP, HEALTH CARE OPERATIONS, POPULATION HEALTH, AND PATIENT AND FAMILY CENTERED CARE THE COURSES HAVE BEEN TRANSLATED INTO SPANISH AND PORTUGUESE, AND HAVE BEEN INTEGRATED INTO FORMAL UNIVERSITY CURRICULA AND ORGANIZATIONAL TRAINING PROGRAMS AROUND THE WORLD

4c(Code) (Expenses \$ 7,231,054 including grants of \$ 76,871) (Revenue \$ 12,535,351)
STRATEGIC PARTNERS AND CONTRACTS IHI MAINTAINS A VARIETY OF CLOSELY ALIGNED, STRATEGIC RELATIONSHIPS WITH ORGANIZATIONS IN REGIONS AROUND THE WORLD, INCLUDING THE UNITED STATES, THE UNITED KINGDOM, EUROPE, NEW ZEALAND, MIDDLE EAST, ASIA, AND LATIN AMERICA CONTRACTED SERVICES ARE FOCUSED ON ACHIEVING STRATEGIC OBJECTIVES, SYSTEM-LEVEL IMPROVEMENT, THE IHI FELLOWSHIP PROGRAM AND CAPABILITY BUILDING

(Code) (Expenses \$ 4,450,006 including grants of \$) (Revenue \$ 7,245,225)
NATIONAL FORUM



















(Code) (Expenses \$ 1,291,103 including grants of \$) (Revenue \$ 0)
INNOVATION

4dOther program services (Describe in Schedule O)
(Expenses \$ 5,741,109 including grants of \$) (Revenue \$ 7,245,225)

4eTotal program service expenses 31,803,302

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 (see instructions)? 	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 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 for escrow or custodial account liability, 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b 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 	11b	No
c 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 	11c	No
d 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 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f 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 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV 	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 United States? If "Yes," complete Schedule F, Parts II and IV 	15 Yes	
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 United States? If "Yes," complete Schedule F, Parts III and IV 	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 (see instructions)	17	No
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
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization 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		No
23	Did the organization answer "Yes" to Part VII, Section A, line 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 lines 24b through 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	Section 501(c)(3) and 501(c)(4) organizations. 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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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 (or a family member thereof) was an officer, director, trustee, or direct or indirect 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		No
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		No
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, Part II, III, or IV, and Part V, line 1</i>	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. 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 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	184	
1b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	181	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
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)?	Yes	
b	If "Yes," enter the name of the foreign country MI, SF See instructions for 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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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 as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization 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	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	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	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	15	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	14	
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 governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	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	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did 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 15a or 15b, 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	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	MA
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 made these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	AMY HOSFORD-SWAN 20 UNIVERSITY ROAD CAMBRIDGE, MA (617) 301-4800

Check if Schedule O contains a response to any question in this Part VII ☒

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- 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

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	5,206,938	0	428,527

\$100,000 of reportable compensation from the organization

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	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>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	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. Report compensation for the calendar year ending with or within the organization's tax year.

(A)	(B)	(C)
Name and business address	Description of services	Compensation
TOM NOLAN , 1110 BONIFANT ST 420 SILVER SPRINGS MD 20910	PROGRAM CONSULTING	265,087
JOHN WHITTINGTON , 1 MARTHA AVE NORMAL IL 61761	PROGRAM CONSULTING	265,500
LYOYD PROVOST , 115 E 5TH ST SUITE 300 AUSTIN TX 78701	PROGRAM CONSULTING	263,985
JERRY LANGLEY , 1116 ARBOR PLACE EL DORADO HILLS CA 95762	PROGRAM CONSULTING	194,400
KEDAR MATE , DEPARTMENT OF MEDICINE 1300 YORK A NEW YORK NY 10021	PROGRAM CONSULTING	211,882

\$100,000 of compensation from the organization ➡ 14

Part VIII

Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

				(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	1,458,160					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	7,659,226					
	g	Noncash contributions included in lines 1a-1f \$							
	h	Total. Add lines 1a-1f		9,117,386					
Program Service Revenue	2a	PARTICIPATION/MEETING/CONFERENCE FEES	Business Code 900099	13,682,678	13,682,678				
	b	CONTRACT SERVICES	900099	11,975,605	11,975,605				
	c	MEMBERSHIP DUES	900099	2,552,512	2,552,512				
	d	OPEN SCHOOL	900099	721,524	721,524				
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f		28,932,319					
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,777,070			2,777,070	
4		Income from investment of tax-exempt bond proceeds		0					
5		Royalties		0					
6a		Gross rents	(i) Real	(ii) Personal					
		b	Less rental expenses						
		c	Rental income or (loss)	0					0
		d	Net rental income or (loss)						0
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b	Less cost or other basis and sales expenses	8,378,982					
		c	Gain or (loss)	7,329,248					
		d	Net gain or (loss)						1,049,734
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a		0				
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		0				
b		Less direct expenses	b						
c		Net income or (loss) from gaming activities							
10a		Gross sales of inventory, less returns and allowances	a		0				
		b	Less cost of goods sold	b					
		c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code							
11a	OTHER REVENUE	900099	155,965	155,965					
b									
c									
d	All other revenue								
e	Total. Add lines 11a-11d		155,965						
12	Total revenue. See Instructions		42,032,474	29,088,284			3,826,804		

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).

Check if Schedule O contains a response to any question in this Part IX

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 United States. See Part IV, line 21.	854,982	854,982		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	2,493,994	2,493,994		
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	4,093,034	1,711,254	2,381,780	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	7,895,872	7,102,610	793,262	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	437,151	339,769	97,382	
9	Other employee benefits.	3,881,700	2,853,703	1,027,997	
10	Payroll taxes.	962,047	747,736	214,311	
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	122,033	57,442	64,591	
c	Accounting.	184,125	3,886	180,239	
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	192,008		192,008	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	397,224	92,995	304,229	
12	Advertising and promotion.	998,718	595,036	403,682	
13	Office expenses.	626,889	481,059	145,830	
14	Information technology.	689,898	507,466	182,432	
15	Royalties.	0			
16	Occupancy.	1,150,295	897,230	253,065	
17	Travel.	2,683,580	2,338,144	345,436	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	4,124,553	4,049,373	75,180	
20	Interest.	0			
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	1,745,404	1,361,415	383,989	
23	Insurance.	105,905	79,954	25,951	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	CONSULTING	7,050,472	5,206,312	1,844,160	
b	EDUCATION, TRAINING AND MISC	420,697	28,942	391,755	
c					
d					
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	41,110,581	31,803,302	9,307,279	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response to any question in this Part X

☒

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		5,908,088	2	5,095,354
	3	Pledges and grants receivable, net		1,428,121	3	1,732,794
	4	Accounts receivable, net		2,936,151	4	3,717,522
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		712,958	9	760,722
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a6,365,974	3,565,079	10c	2,810,203
	b	Less accumulated depreciation	10b3,555,771			
	11	Investments—publicly traded securities		70,824,899	11	75,871,360
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		0	15	0
	16	Total assets. Add lines 1 through 15 (must equal line 34)		85,375,296	16	89,987,955
Liabilities	17	Accounts payable and accrued expenses		3,173,674	17	2,951,696
	18	Grants payable		0	18	0
	19	Deferred revenue		2,728,120	19	2,863,799
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		6,333,994	25	5,652,344
	26	Total liabilities. Add lines 17 through 25		12,235,788	26	11,467,839
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		70,012,883	27	75,680,164
	28	Temporarily restricted net assets		3,126,625	28	2,839,952
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	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	Total net assets or fund balances		73,139,508	33	78,520,116
	34	Total liabilities and net assets/fund balances		85,375,296	34	89,987,955

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	42,032,474
2	Total expenses (must equal Part IX, column (A), line 25)	2	41,110,581
3	Revenue less expenses Subtract line 2 from line 1	3	921,893
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	73,139,508
5	Net unrealized gains (losses) on investments	5	4,458,715
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	78,520,116

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	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		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	Yes
c	If "Yes," to line 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	2c	Yes
3a	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?	3a	Yes
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	3b	Yes

Additional Data

Software ID:

Software Version:

EIN: 38-3017223

Name: INSTITUTE FOR HEALTHCARE IMPROVEMENT

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
MAUREEN BISOGNANO PRESIDENT/CEO	40 0	X		X				832,748	0	19,320
JAMES M ANDERSON DIRECTOR	1 0	X						0	0	0
PAUL B BATALDEN MD DIRECTOR	1 0	X						0	0	0
A BLANTON GODFREY MD DIRECTOR	1 0	X						0	0	0
GARY S KAPLAN MD BOARD CHAIR	1 0	X						0	0	0
DENNIS S O'LEARY MD DIRECTOR	1 0	X						0	0	0
DIANA CHAPMAN WALSH MS PHD BOARD VICE CHAIR	1 0	X						0	0	0
RUDOLPH F PIERCE ESQ DIRECTOR	1 0	X						0	0	0
BRENT C JAMES MD MSTAT DIRECTOR	1 0	X						0	0	0
MICHAEL DOWLING SECRETARY/TREASURER	1 0	X						0	0	0
ELLIOTT S FISHER MD MPH DIRECTOR	1 0	X						0	0	0
TERRY FULMER PHD RN FAAN DIRECTOR	1 0	X						0	0	0
JENNIE CHIN HANSEN DIRECTOR	1 0	X						0	0	0
HELEN HASKELL MA DIRECTOR	1 0	X						0	0	0
ARNOLD MILSTEIN MD PHD DIRECTOR	1 0	X						0	0	0
NANCY L SNYDERMAN MD DIRECTOR	1 0	X						0	0	0
BARBARA CARVER SENIOR VICE PRESIDENT	40 0			X				344,798	0	9,784
DONALD GOLDMANN MD CHIEF SCIENTIFIC & MED OFFICER	40 0			X				346,584	0	19,674
JOANNE HEALY SENIOR VICE PRESIDENT	40 0			X				250,671	0	11,094
AMY HOSFORD-SWAN CHIEF FINANCIAL OFFICER	40 0			X				373,857	0	7,838
KAREN BOUDREAU SENIOR VICE PRESIDENT	40 0			X				92,577	0	8,801
JEFFREY SELBERG EXECUTIVE VP/COO	40 0			X				473,349	0	61,340
PIERRE BARKER SENIOR VICE PRESIDENT	40 0			X				283,827	0	56,786
CAROL BEASLEY DIRECTOR OF STRATEGIC PROJECTS	40 0				X			188,577	0	13,519
PAUL HAMNETT VICE PRESIDENT ENGINEERING	40 0				X			209,374	0	28,818

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
FRANK FEDERICO DIRECTOR STRATEGIC PARTNERS	40 0				X			184,743	0	19,161
KATHARINE LUTHER VICE PRESIDENT	40 0				X			206,560	0	43,350
KENNETH TEBBETTS VICE PRESIDENT HUMAN RESOURCES	40 0				X			152,770	0	29,336
CAROL HARADEN VICE PRESIDENT	40 0					X		230,517	0	12,227
ANDREA KABCENELL VICE PRESIDENT	40 0					X		334,376	0	21,547
ROBERT LLOYD EXEC DIR PERFORMANCE IMPROVEMT	40 0					X		201,571	0	19,194
PATRICIA RUTHERFORD VICE PRESIDENT	40 0					X		204,701	0	12,153
GAIL FREEMAN VICE PRESIDENT	40 0					X		247,338	0	34,585
DONALD M BERWICK MD FACULTY MEMBER	8 0						X	48,000	0	0

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

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 described in **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 - Non-functionally integrated
- 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 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)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
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						
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)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
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 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. 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—2011. If the organization did not check a 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—2012. 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—2011. 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 Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	12,228,939	5,947,678	6,151,282	8,334,929	9,117,386	41,780,214
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	27,953,488	26,647,527	31,496,243	31,952,555	29,088,284	147,138,097
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	40,182,427	32,595,205	37,647,525	40,287,484	38,205,670	188,918,311
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
c Add lines 7a and 7b						0
8 Public support (Subtract line 7c from line 6.)						188,918,311

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	40,182,427	32,595,205	37,647,525	40,287,484	38,205,670	188,918,311
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,094,256	1,080,070	1,384,775	1,799,674	2,777,070	8,135,845
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	1,094,256	1,080,070	1,384,775	1,799,674	2,777,070	8,135,845
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
13 Total support. (Add lines 9, 10c, 11, and 12.)	41,276,683	33,675,275	39,032,300	42,087,158	40,982,740	197,054,156
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 2012 (line 8, column (f) divided by line 13, column (f))	15	95 871 %	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	96 728 %	

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	4 129 %	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	3 272 %	
19a 33 1/3% support tests—2012. 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—2011. 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization INSTITUTE FOR HEALTHCARE IMPROVEMENT	Employer identification number 38-3017223
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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 can 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)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2

Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	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, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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?

☐ Yes ☐ No

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 section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

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

3

Using the organization's acquisition, 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 XIII

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 XIII 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 XIII. Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance				
b	Contributions				
c	Net investment earnings, gains, and losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%

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)

(ii) related organizations

3a(ii)

b

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

3b

4

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		331,767	44,141	287,626
d Equipment		916,036	642,007	274,029
e Other		5,118,171	2,869,623	2,248,548
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,810,203

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return					
1	Total revenue, gains, and other support per audited financial statements			1	46,299,181
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	4,458,715		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines 2a through 2d			2e	4,458,715
3	Subtract line 2e from line 1			3	41,840,466
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	192,008		
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b		4c		
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)			5	42,032,474
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements			1	40,918,573
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 XIII)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	40,918,573
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	192,008		
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b		4c		
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	41,110,581

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.		
Identifier	Return Reference	Explanation
FIN 48 (ASC 740) FOOTNOTE	PART X, LINE 2	THE INSTITUTE IS A TAX-EXEMPT ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE CODE) AND IS GENERALLY EXEMPT FROM FEDERAL INCOME TAXES PURSUANT TO SECTION 501(A) OF THE CODE. ACCORDINGLY, NO PROVISION FOR FEDERAL AND STATE INCOME TAXES HAS BEEN MADE. GAAP REQUIRES THE INSTITUTE TO EVALUATE UNCERTAIN TAX POSITIONS. MANAGEMENT CONCLUDED AS OF AND FOR THE YEARS ENDED APRIL 30, 2013 AND 2012 THAT THE INSTITUTE DID NOT HAVE ANY LIABILITIES FOR ANY UNCERTAIN TAX POSITIONS.

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. 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 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Europe (Including Iceland and Greenland)	1	1	Program Services	SEE SCHEDULE F PART IV	1,211,172
Sub-Saharan Africa	4	4	Program Services	SEE SCHEDULE F PART IV	4,286,283
East Asia and the Pacific			Program Services	SEE SCHEDULE F PART IV	797,895
Middle East and North Africa			Program Services	SEE SCHEDULE F PART IV	278,824
South America			Program Services	SEE SCHEDULE F PART IV	113,135
3a Sub-total	5	5			6,687,309
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	5	5			6,687,309

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			Sub-Saharan Africa	HEALTH CARE	1,747,918	Wire			
			Sub-Saharan Africa	HEALTH CARE	707,852	Wire			
			Europe (Including Iceland and Greenland)	HEALTH CARE	38,224	Wire			

2

Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3

3

Enter total number of other organizations or entities ▶

Part III

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐ Yes

☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☐ Yes

☒ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes

☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes

☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☒ Yes

☐ No

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Schedule F (Form 990) 2012

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

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

OMB No 1545-0047

2012

Open to Public
Inspection

Employer identification number
38-3017223

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. Part II can be duplicated 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
(1) RAND CORPORATION 1776 MAIN STREET SANTA MONICA, CA 90407	95-1958142	501(C)(3)	525,583				HEALTH CARE
(2) UNIVERSITY OF CALIFORNIA IRVINE BIOLOGICAL SCIENCES III SUITE 1400 IRVINE, CA 92697	95-2226406	501(C)(3)	178,809				HEALTH CARE
(3) LYBBA 8330 W 3RD STREET LOS ANGELES, CA 90048	38-3777236	501(C)(3)	50,820				HEALTH CARE
(4) CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER 3333 BURNET AVENUE CINCINNATI, OH 45229	31-0833936	501(C)(3)	50,735				HEALTH CARE
(5) QUALIS HEALTH PO BOX 33400 SEATTLE, WA 98133	91-1072875	501(C)(3)	49,035				HEALTH CARE

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

5

3

Enter total number of other organizations listed in the line 1 table

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.
Part III can be duplicated 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

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS	PART I, LINE 2	ALL GRANTS PROVIDED TO FOREIGN ENTITIES ARE PASS-THROUGH GRANTS OUR PROCEDURES FOR MONITORING ARE DICTATED BOTH BY THE REQUIREMENTS OF THE ORIGINAL FUNDER, IHI INTERNAL POLICIES AND PROCEDURES AND THE RESULTS OF OUR EVALUATION PRIOR TO GRANTING THE ACTUAL AWARD THERE ARE REQUIREMENTS FOR REGULAR PROGRAM, PROGRAM EVALUATION AND ASSESSMENT AND FINANCIAL REPORTING, NO LESS REGULARLY THAN BI-ANNUALLY AND AS FREQUENTLY AS MONTHLY FINANCIAL REPORTING REQUIREMENTS MUST BE ABIDED BY BEFORE WIRES ARE PROCESSED TO THE SUB-GRANTEE ALL FINANCIAL REPORTS MUST BE ACCOMPANIED BY SUPPORTING GENERAL LEDGER DETAIL AND DEPENDING ON THE GRANT, STATEMENT OF CASH FLOWS, BALANCE SHEET, BANK STATEMENTS, ETC ANNUAL AUDITS AND MANAGEMENT LETTERS ARE COLLECTED FROM MOST SUB-GRANTEES (IF AVAILABLE) ALL SUB-GRANTEES, RECEIVING MATERIAL AWARDS, HAVE IHI STAFF HELPING ON THE GROUND OR ARE VISITED ON A REGULAR BASIS FOR PROGRAM MONITORING AND OFTEN ONCE OR TWICE PER YEAR FOR FINANCIAL MONITORING/INTERNAL AUDITING DEPENDING ON THE SUB-GRANTEE, OUR FINANCIAL MONITORING MAY CONSIST OF A FINANCE STAFF VISITING THE SITE AND PERFORMING INTERNAL AUDIT PROCEDURES, PROGRAM STAFF COLLECTING DOCUMENTATION/PERFORMING TEST WORK AND REPORTING BACK TO FINANCE, OR SUB-GRANTEE STAFF SENDING A DOCUMENTATION TO OUR FINANCE AND INTERNAL AUDITOR FOR REVIEW

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2012

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
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>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><div><div><input checked="" type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>1b</div><div>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 of the expenses described above? If "No," complete Part III to explain</div></div>	Yes	
<div><div>2</div><div>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?</div></div>	Yes	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>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>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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>		
<div><div>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>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>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>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</div></div>		No
<div><div>8</div><div>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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
NONQUALIFIED RETIREMENT PLAN	PART I, LINE 4B	COMPENSATION PAID THROUGH AN IRC SECTION 457 PLAN HAS BEEN DISCLOSED IN SCHEDULE J FOR EACH REPORTED INDIVIDUAL MAUREEN BISOGNANO - \$201,697 BARBARA CARVER - \$ 82,267 DONALD GOLDMANN - \$ 25,606 CAROL HARADEN - \$ 12,740 JOANNE HEALY - \$ 11,450 AMY HOSFORD-SWAN - \$138,371 ANDREA KABCENELL - \$120,699 PATRICIA RUTHERFORD - \$ 3,825 PIERRE BARKER - \$ 33,600 GAIL FREEMAN - \$ 21,329 PAUL HAMNETT - \$ 7,804 KATHARINE LUTHER - \$ 23,088 JEFFREY SELBERG - \$ 47,830 KENNETH TEBBETTS - \$ 16,800
MANAGEMENT TEAM BENEFITS		THE INSTITUTE PROVIDES CERTAIN EXECUTIVES BENEFITS UNDER ITS MANAGEMENT TEAM FLEXIBLE BENEFIT PLAN. COVERED EXECUTIVES ARE PROVIDED WITH A FLEXIBLE BENEFIT ALLOWANCE WHICH CAN BE USED TO SELECT CERTAIN BENEFITS, INCLUDING A CAPITAL ACCUMULATION ACCOUNT. THE CAPITAL ACCUMULATION ACCOUNTS ARE MAINTAINED BY THE INSTITUTE AND THE EXECUTIVES ARE NOT VESTED IN THEIR ACCOUNTS UNTIL THEY REACH 5 YEARS OF SERVICE. THE EXECUTIVES ARE UNSECURED CREDITORS OF THE INSTITUTE FOR THE AMOUNT OF THEIR CAPITAL ACCUMULATION ACCOUNTS. THIS BENEFIT PLAN IS EXAMINED IN THE COURSE OF OUR COMPENSATION REVIEW (DICTATED BY OUR COMPENSATION POLICY DESCRIBED IN SCHEDULE O), AND CONSIDERED FAIR, REASONABLE, AND WITHIN THE SAFE HARBOR GUIDELINES FOR EXECUTIVE COMPENSATION BY THE ORGANIZATION. IN ADDITION, OUR COMPENSATION STRUCTURE IS REVIEWED BY AN EXTERNAL COMPENSATION ADVISOR. IHI STRONGLY BELIEVES THAT THE ORGANIZATION NEEDS TO MAINTAIN ADEQUATE BENEFITS NECESSARY TO RETAIN THE TALENTED TEAM REQUIRED TO ACCOMPLISH OUR MISSION OF IMPROVING HEALTHCARE WORLDWIDE.
FIRST CLASS TRAVEL	PART I, LINE 1	IHI'S TRAVEL POLICY REQUIRES THAT EMPLOYEES PERSONALLY PAY FOR ANY UPGRADE TO FIRST CLASS. ANY PURCHASE OF FIRST CLASS TICKETS WERE EXCEPTIONS DUE TO SPECIAL NEEDS AND APPROVED BY IHI MANAGEMENT. DURING THIS TIME IHI PAID FOR A SMALL AMOUNT OF FIRST CLASS TRAVEL TICKETS WHEN, FOR EXAMPLE, STAFF OR FACULTY TRAVELED AT THE REQUEST OF IHI, EXCEPTIONALLY LONG DISTANCES, IN A SHORT TIMELINE AND WERE EXPECTED TO BEGIN WORKING DIRECTLY UPON ARRIVAL, TRAVELED WITH AN INJURY, AND OTHER EXTRAORDINARY CIRCUMSTANCES.
COMPENSATION OF FORMER DIRECTOR/OFFICER	PART II	DR. DONALD M. BERWICK, MD WAS PAID \$48,000 FOR SERVICES HE PROVIDED TO IHI AS A FACULTY MEMBER.

Software ID:
Software Version:
EIN: 38-3017223
Name: INSTITUTE FOR HEALTHCARE IMPROVEMENT

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				
MAUREEN BISOGNANO	(i) (ii)	481,987 0	123,000 0	227,761 0	4,125 0	15,195 0	852,068 0	201,697 0
BARBARA CARVER	(i) (ii)	182,006 0	49,945 0	112,847 0	2,957 0	6,827 0	354,582 0	82,267 0
DONALD GOLDMANN MD	(i) (ii)	277,935 0	20,544 0	48,105 0	4,125 0	15,549 0	366,258 0	25,606 0
JOANNE HEALY	(i) (ii)	200,966 0	20,544 0	29,161 0	3,300 0	7,794 0	261,765 0	11,450 0
AMY HOSFORD-SWAN	(i) (ii)	197,753 0	20,544 0	155,560 0	3,225 0	4,613 0	381,695 0	138,371 0
CAROL BEASLEY	(i) (ii)	154,504 0	10,000 0	24,073 0	4,125 0	9,394 0	202,096 0	0 0
PAUL HAMNETT	(i) (ii)	156,569 0	25,000 0	27,805 0	11,929 0	16,889 0	238,192 0	0 0
CAROL HARADEN	(i) (ii)	168,539 0	25,000 0	36,978 0	4,125 0	8,102 0	242,744 0	12,740 0
ANDREA KABCENELL	(i) (ii)	150,582 0	25,000 0	158,794 0	4,125 0	17,422 0	355,923 0	120,699 0
ROBERT LLOYD	(i) (ii)	178,758 0	10,000 0	12,813 0	1,725 0	17,469 0	220,765 0	0 0
PATRICIA RUTHERFORD	(i) (ii)	150,967 0	25,000 0	28,734 0	4,125 0	8,028 0	216,854 0	3,825 0
FRANK FEDERICO	(i) (ii)	150,063 0	25,000 0	9,680 0	1,986 0	17,175 0	203,904 0	0 0
JEFFREY SELBERG	(i) (ii)	368,709 0	78,576 0	26,064 0	51,954 0	9,386 0	534,689 0	0 0
PIERRE BARKER	(i) (ii)	239,011 0	20,544 0	24,272 0	37,650 0	19,136 0	340,613 0	0 0
KATHARINE LUTHER	(i) (ii)	160,904 0	20,544 0	25,112 0	27,213 0	16,137 0	249,910 0	0 0
KENNETH TEBBETTS	(i) (ii)	110,524 0	20,544 0	21,702 0	20,632 0	8,704 0	182,106 0	0 0
GAIL FREEMAN	(i) (ii)	193,214 0	30,544 0	23,580 0	25,454 0	9,131 0	281,923 0	0 0
DONALD M BERWICK MD	(i) (ii)	48,000 0	0 0	0 0	0 0	0 0	48,000 0	0 0

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization INSTITUTE FOR HEALTHCARE IMPROVEMENT	Employer identification number 38-3017223
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Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	<p>IHI IS A LEADING INNOVATOR IN HEALTH AND HEALTH CARE IMPROVEMENT WORLDWIDE. FOR MORE THAN 25 YEARS, WE HAVE PARTNERED WITH AN EVER-GROWING COMMUNITY OF VISIONARIES, LEADERS, AND FRONT-LINE PRACTITIONERS AROUND THE GLOBE TO SPARK BOLD, INVENTIVE WAYS TO IMPROVE THE HEALTH OF INDIVIDUALS AND POPULATIONS. TOGETHER, WE BUILD THE WILL FOR CHANGE, SEEK OUT INNOVATIVE MODELS OF CARE, AND SPREAD PROVEN BEST PRACTICES TO ADVANCE OUR MISSION. IHI IS DEDICATED TO OPTIMIZING HEALTH CARE DELIVERY SYSTEMS, DRIVING THE TRIPLE AIM FOR POPULATIONS, REALIZING PERSON- AND FAMILY-CENTERED CARE, AND BUILDING IMPROVEMENT CAPABILITY. WHEN IT COMES TO RAISING THE QUALITY OF HEALTH FOR ALL, IHI SEES BOUNDLESS POSSIBILITIES, AND WHILE WE SEE THE WALLS IN FRONT OF US, WE WILL NOT REST UNTIL WE REACH THE OTHER SIDE. IHI MOBILIZES TEAMS, ORGANIZATIONS, AND INCREASINGLY NATIONS, THROUGH ITS STAFF OF MORE THAN 100 PEOPLE AND PARTNERSHIPS WITH HUNDREDS OF FACULTY AROUND THE WORLD. IHI PROVIDES IMPORTANT BENEFITS TO THE COMMUNITY WITH ACTIVITIES. FOR EXAMPLE, - IHI CREATED THE IHI OPEN SCHOOL AND CONVENED 80,000 STUDENTS TO ENABLE THE PASSION AND GROWTH OF THE NEXT GENERATION OF IMPROVERS. - IHI BUILDS WILL FOR IMPROVEMENT BY BRINGING CLARITY, FOCUS, AND SIMPLE SOLUTIONS TO THE TABLE THROUGH IHI INITIATIVES LIKE OUR BREAKTHROUGH SERIES COLLABORATIVES, 100,000 LIVES CAMPAIGN, AND THE IHI TRIPLE AIM. - IHI LAUNCHED THE IHI NATIONAL FORUM ON QUALITY IMPROVEMENT IN HEALTH CARE AND THE INTERNATIONAL FORUM TO BRING THOUSANDS OF PEOPLE TOGETHER TO TELL STORIES AND HELP SPARK INNOVATIVE IDEAS AND CHANGES IN HEALTH CARE IMPROVEMENT. - IHI ARCHITECTED THE UNPRECEDENTED 100,000 LIVES AND 5 MILLION LIVES CAMPAIGNS, WHICH SPURRED HOSPITALS ACROSS THE UNITED STATES TO JOIN US IN MAKING BREAKTHROUGH COMMITMENTS TO QUALITY AND PATIENT SAFETY. - IHI BRINGS THE SCIENCE OF IMPROVEMENT AND LEARNING TOGETHER TO INNOVATE NEW WAYS TO LEARN. - AS HEALTH CARE QUALITY IMPROVEMENT MOVEMENT PIONEERS, IHI THINKS DIFFERENTLY. FOR EXAMPLE, WE ARE COMMITTED TO ILLUMINATING POWERFUL MODELS FOR IMPROVEMENT FROM CORNERS OF THE WORLD THAT ARE OFTEN OVERLOOKED. - IHI DEVELOPED THE TRIPLE AIM AND IS NOW WORKING WITH OUR PARTNERS TO MOBILIZE SYSTEMS, COMMUNITIES, AND COUNTRIES TO ACHIEVE TRIPLE AIM RESULTS THAT RETURN SAVINGS TO COMMUNITIES. - IN SCOTLAND, THE IHI COMMUNITY IS ENGAGING HOSPITALS ACROSS THE COUNTRY TO BUILD IMPROVEMENT SKILLS, MEASUREMENT METHODS, AND SCIENTIFIC APPROACHES FOR BETTER CARE. - IHI LAUNCHED GROUNDBREAKING IMPROVEMENT PROGRAMS IN SOUTH AFRICA AND GHANA THAT HAVE CONTRIBUTED TO A REDUCTION IN MATERNAL AND NEONATAL MORTALITY, THE PREVENTION OF MOTHER-TO-CHILD TRANSMISSION (PMTCT) OF HIV/AIDS, AND INCREASED ACCESS TO TREATMENT AND TESTING OF HIV/AIDS. - UNDER THE STAAR INITIATIVE, IHI IS WORKING WITH THE STATES OF MASSACHUSETTS, MICHIGAN, OREGON, OHIO, AND WASHINGTON TO REDUCE AVOIDABLE REHOSPITALIZATIONS. - IHI'S WEB SITE, WWW.IHI.ORG, IS A FREE GLOBAL RESOURCE FOR HEALTH CARE IMPROVEMENT KNOWLEDGE. - IHI'S FREE PUBLICATIONS, SUCH AS WHITE PAPERS AND HOW-TO-GUIDES, DOCUMENT AND DISSEMINATE THE ORGANIZATION'S INNOVATION WORK QUICKLY AND WIDELY.</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4D	LINE 4D EXPENSE = \$4,450,006 REVENUE = \$7,245,225 NATIONAL FORUM IHI'S NATIONAL FORUM ON QUALITY IMPROVEMENT IN HEALTH CARE, HELD EACH DECEMBER, IS A MAJOR U S CONFERENCE ON IMPROVEMENT IN HEALTH CARE THAT DRAWS NEARLY 6,000 PARTICIPANTS FROM AROUND THE WORLD WHO ATTEND HUNDREDS OF WORKSHOPS, PLENARY SESSIONS, AND SPECIAL INTEREST MEETINGS THOUSANDS MORE JOIN THE CONFERENCE VIA SATELLITE BROADCAST EXPENSE = \$1,291,103 INNOVATION AT THE CENTER OF IHI'S WORK IS THE CREATION AND TESTING OF NEW IDEAS - NOVEL CONCEPTS FOR IMPROVING PATIENT CARE HERE, WE WORK INTENSELY WITH CUTTING EDGE ORGANIZATIONS TO TEST AND PROTOTYPE UNIQUE MODELS AND NEW SOLUTIONS TO OLD PROBLEMS THIS IS OUR RESEARCH AND DEVELOPMENT FUNCTION, THE INNOVATION ENGINE THAT FUELS ALL OF OUR WORK

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11A	<p>THE MAJORITY OF SUPPORT SCHEDULES FOR THE FORM 990 ARE PREPARED DURING THE ANNUAL AUDIT PREPARATION PROCESS IN THE MAY-JUNE TIMEFRAME. THE REMAINING ITEMS ARE COMPLETED BY THE END OF OCTOBER OF EACH FISCAL YEAR. THE FORM 990 IS DUE FIVE MONTHS AFTER THE CLOSE OF THE FISCAL YEAR, WHICH FOR IHI IS SEPTEMBER 15TH (WITH AN APRIL 30TH FISCAL YEAR END). ALL 990 EXTENSIONS ARE FILED BY KPMG (OR OUR CURRENT OUTSIDE INDEPENDENT AUDIT FIRM) AND A COPY IS MAINTAINED BY IHI. TWO EXTENSIONS ARE ALLOWED AND THEY EACH PROVIDE FOR AN ADDITIONAL THREE MONTH EXTENSION. THUS, THE MAXIMUM EXTENSION PERIOD ALLOWED ANNUALLY IS SIX MONTHS FROM THE ORIGINAL DUE DATE. THE FILING DATES ARE AS FOLLOWS: SEPTEMBER 15TH, IF EXTENSION IS FILED BY 9/15 THEN THE NEXT FILING DATE IS DECEMBER 15TH. IF THE SECOND EXTENSION (AND LAST POSSIBLE EXTENSION) IS FILED BY 12/15, THEN THE FINAL FILING DATE IS MARCH 15TH. THE MAJORITY OF SCHEDULES ARE PREPARED BY THE SENIOR STAFF ACCOUNTANT AND REVIEWED BY THE CONTROLLER. THE CONTROLLER PREPARES THE FINANCIAL STATEMENT RECONCILIATION TO THE FORM 990 FINANCIAL SECTION OF THE FORM. THIS IS REVIEWED BY THE CFO. UPDATES TO POLICIES APPLICABLE TO THE FORM 990 ARE PERFORMED THROUGHOUT THE YEAR AND REVIEWED BY EITHER THE CFO OR INTERNAL AUDITOR (DEPENDING ON THE PERSON WHO AUTHORS THE EDIT). CERTAIN POLICY UPDATES ARE REVIEWED BY THE STRATEGY TEAM OR THE AUDIT COMMITTEE FOR THEIR APPROVAL. AFTER THE REVIEW PROCESS, ALL SUPPORTING DOCUMENTATION AND WORK PAPERS ARE SENT TO KPMG WHO PRODUCES THE DRAFT FORM 990. THE DRAFT FORM 990 IS REVIEWED AND TIED BACK TO SUPPORTING DOCUMENTATION AND WORK PAPERS (INCLUDING THE AUDITED FINANCIAL STATEMENTS AND TRIAL BALANCE) BY THE CONTROLLER. ANY ADJUSTMENTS ARE DISCUSSED AND THEN PROCESSED (AS NEEDED) WITH KPMG. THE NEXT DRAFT IS REVIEWED BY THE CONTROLLER AND CFO. ANY ADJUSTMENTS ARE DISCUSSED AND THEN PROCESSED (AS NEEDED) WITH KPMG. THE FINAL DRAFT IS ALSO REVIEWED BY THE INTERNAL AUDITOR. AFTER THE DRAFT IS READY TO BE REVIEWED, IT IS SENT TO THE AUDIT COMMITTEE BEFORE THE LATE NOVEMBER/DECEMBER MEETING. AFTER ALL QUESTIONS AND ADJUSTMENTS (IF ANY) ARE RESOLVED, THE AUDIT COMMITTEE APPROVES THE FORM 990 TO BE PRESENTED TO THE FULL BOARD OF DIRECTORS. THE CFO AND AUDIT COMMITTEE CHAIR REVIEW THE FORM 990 WITH THE ENTIRE BOARD AND REQUEST BOARD APPROVAL. THE FULL BOARD MUST VOTE TO APPROVE THE FORM 990 BEFORE IT IS FILED BY KPMG WITH THE IRS.</p>

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST	FORM 990, PART VI, SECTION B, LINE 12	<p>AS NOTED IN OUR STAFF GUIDEBOOK, THIS CONFLICT OF INTEREST POLICY IS DESIGNED TO HELP DIRECTORS, OFFICERS, AND SENIOR-LEVEL EMPLOYEES OF IHI IDENTIFY SITUATIONS THAT PRESENT POTENTIAL CONFLICTS OF INTEREST, AND TO PROVIDE IHI WITH A PROCEDURE FOR RESOLVING THOSE CONFLICTS</p> <p>I DEFINITIONS A A "CONFLICT OF INTEREST" IS ANY SITUATION WHERE</p> <p>I YOUR PERSONAL INTERESTS, OR</p> <p>II THE PERSONAL INTERESTS OF A CLOSE FRIEND, FAMILY MEMBER, BUSINESS ASSOCIATE, PERSON TO WHOM YOU OWE AN OBLIGATION, OR CORPORATION, PARTNERSHIP OR OTHER ORGANIZATION IN WHICH YOU HOLD A SIGNIFICANT INTEREST, COULD REASONABLY BE EXPECTED TO OR DOES INFLUENCE YOUR DECISIONS OR IMPAIR YOUR ABILITY TO</p> <p>1 ACT IN IHI'S BEST INTERESTS, OR</p> <p>2 REPRESENT IHI FAIRLY, IMPARTIALLY, AND WITHOUT BIAS</p> <p>B AN "INDIRECT BENEFIT" IS</p> <p>I A BENEFIT DERIVED BY A CLOSE FRIEND, FAMILY MEMBER, BUSINESS ASSOCIATE, OR A CORPORATION, PARTNERSHIP, OR OTHER ORGANIZATION IN WHICH YOU HOLD A SIGNIFICANT INTEREST, OR</p> <p>II A BENEFIT THAT ADVANCES OR PROTECTS YOUR INTERESTS ALTHOUGH IT MAY NOT BE MEASURABLE IN MONEY</p> <p>C A "CONFLICTING RELATIONSHIP" IS A CONFLICT OF INTEREST OR AN INDIRECT BENEFIT</p> <p>D "PERSONAL INTERESTS" IS ONES STATUS AS AN EMPLOYEE (OTHER THAN AS AN EMPLOYEE OF IHI), CONSULTANT, OFFICER, DIRECTOR, TRUSTEE, MANAGER, SIGNIFICANT INVESTOR, OR SIGNIFICANT LENDER</p> <p>II PROCEDURES A A PERSON WHO HAS A CONFLICTING RELATIONSHIP SHALL DISCLOSE SUCH RELATIONSHIP THAT HE OR SHE MAY HAVE IN ANY MATTER AFFECTING OR INVOLVING IHI</p> <p>IF A PERSON IS IN DOUBT ABOUT WHETHER THERE IS A CONFLICTING RELATIONSHIP, ADVICE MUST BE REQUESTED FROM THE CEO, THE CHAIRMAN OF THE BOARD OF DIRECTORS, OR A PERSON THE BOARD DESIGNATES</p> <p>B AFTER DISCLOSURE, A PERSON WHO HAS A CONFLICTING RELATIONSHIP SHALL NOT PARTICIPATE IN OR BE PRESENT AT THE BOARD'S OR COMMITTEE'S DISCUSSION OF THE MATTER GENERATING THE CONFLICTING RELATIONSHIP, EXCEPT, UPON REQUEST, TO DISCLOSE MATERIAL FACTS AND TO RESPOND TO QUESTIONS</p> <p>NOTWITHSTANDING THE FOREGOING, THE BOARD (OR COMMITTEE), AFTER RECEIVING SUCH DISCLOSURE, MAY DETERMINE BY MAJORITY VOTE OF THE BOARD MEMBERS (OR COMMITTEE MEMBERS) WHO DO NOT HAVE A CONFLICTING RELATIONSHIP, THAT THE PERSON MAY NEVERTHELESS PARTICIPATE IN SAID MATTER</p> <p>C A PERSON WHO HAS A CONFLICTING RELATIONSHIP CONCERNING A PARTICULAR MATTER AS TO WHICH THE PERSON HAS MADE DISCLOSURE, SHALL NOT BE COUNTED IN DETERMINING THE PRESENCE OF A QUORUM FOR PURPOSES OF ANY VOTES RELATING TO THAT MATTER</p> <p>D EACH DIRECTOR, OFFICER, AND SENIOR-LEVEL EMPLOYEE OF IHI SHALL ANNUALLY, DURING THE MONTH OF MAY (OR IF SOONER, WITHIN THIRTY (30) DAYS OF HIS OR HER ELECTION, APPOINTMENT, HIRING, OR ASSUMPTION TO SUCH POSITION) FILE A CONFLICTING RELATIONSHIP INFORMATION FORM</p> <p>EACH INFORMATION FORM SHALL BE FILED WITH THE CEO AND, IN THE CASE OF FORMS FILED BY ANY DIRECTOR AND OFFICER AND THE CEO, SHALL BE AVAILABLE FOR INSPECTION BY ANY DIRECTOR OR OFFICER</p> <p>FORMS FILED BY EMPLOYEES (OTHER THAN THE CEO) SHALL BE AVAILABLE FOR INSPECTION ONLY BY THE CEO (OR SUCH OTHER EMPLOYEES AS THE CEO MAY DESIGNATE)</p> <p>EACH PERSON FILING AN INFORMATION FORM SHALL UPDATE THE FORM IMMEDIATELY UPON BECOMING AWARE OF ANY INACCURACY OR INCOMPLETENESS IN SUCH FORM</p>

Identifier	Return Reference	Explanation
WHISTLEBLOWER POLICY	FORM 990, PART VI, SECTION B, LINE 13	<p>AS NOTED IN OUR STAFF GUIDEBOOK A WHISTLEBLOWER AS DEFINED BY THIS POLICY IS AN EMPLOYEE OF IHI WHO REPORTS AN ACTIVITY THAT HE/SHE CONSIDERS TO BE ILLEGAL OR DISHONEST TO ONE OR MORE OF THE PARTIES SPECIFIED IN THIS POLICY THE WHISTLEBLOWER IS NOT RESPONSIBLE FOR INVESTIGATING THE ACTIVITY OR FOR DETERMINING FAULT OR CORRECTIVE MEASURES, APPROPRIATE MANAGEMENT OFFICIALS ARE CHARGED WITH THESE RESPONSIBILITIES</p> <p>EXAMPLES OF ILLEGAL OR DISHONEST ACTIVITIES ARE VIOLATIONS OF FEDERAL, STATE OR LOCAL LAWS, BILLING FOR SERVICES NOT PERFORMED OR FOR GOODS NOT DELIVERED, AND OTHER FRAUDULENT FINANCIAL REPORTING IF AN EMPLOYEE HAS KNOWLEDGE OF OR A CONCERN OF ILLEGAL OR DISHONEST FRAUDULENT ACTIVITY, THE EMPLOYEE CAN CONTACT THE VICE PRESIDENT OF HUMAN RESOURCES, OR JIM ANDERSON, CHAIRMAN OF THE AUDIT COMMITTEE (CONTACT INFORMATION IS PROVIDED IN THE EMPLOYEE HANDBOOK) THE EMPLOYEE MUST EXERCISE SOUND JUDGEMENT TO AVOID BASELESS ALLEGATIONS AN EMPLOYEE WHO INTENTIONALLY FILES A FALSE REPORT OF WRONGDOING WILL BE SUBJECT TO DISCIPLINE UP TO AND INCLUDING TERMINATION WHISTLEBLOWER PROTECTIONS ARE PROVIDED IN TWO IMPORTANT AREAS -- CONFIDENTIALITY AND AGAINST RETALIATION INsofar as possible, the confidentiality of the whistleblower will be maintained HOWEVER, IDENTITY MAY HAVE TO BE DISCLOSED TO CONDUCT A THOROUGH INVESTIGATION, TO COMPLY WITH THE LAW AND TO PROVIDE ACCUSED INDIVIDUALS THEIR LEGAL RIGHTS OF DEFENSE IHI WILL NOT RETALIATE AGAINST A WHISTLEBLOWER THIS INCLUDES, BUT IS NOT LIMITED TO, PROTECTION FROM RETALIATION IN THE FORM OF AN ADVERSE EMPLOYMENT ACTION SUCH AS TERMINATION, COMPENSATION DECREASES, OR POOR WORK ASSIGNMENTS AND THREATS OF PHYSICAL HARM ANY WHISTLEBLOWER WHO BELIEVES HE/SHE IS BEING RETALIATED AGAINST MUST CONTACT THE VICE PRESIDENT OF HUMAN RESOURCES OR JIM ANDERSON IMMEDIATELY THE RIGHT OF A WHISTLEBLOWER FOR PROTECTION AGAINST RETALIATION DOES NOT INCLUDE IMMUNITY FOR ANY PERSONAL WRONGDOING THAT IS ALLEGED AND INVESTIGATED</p>

Identifier	Return Reference	Explanation
RECORD RETENTION POLICY	FORM 990, PART VI, SECTION B, LINE 14	<p>IHI RECORD RETENTION POLICY AS NOTED IN OUR STAFF GUIDEBOOK. DISPOSING OF IHI'S RECORDS AND FILES IS NOT DISCRETIONARY. THE GOVERNMENT REQUIRES THE RETENTION OF CERTAIN RECORDS FOR SPECIFIC PERIODS OF TIME, PARTICULARLY RECORDS RELATED TO EMPLOYEES, HEALTH AND SAFETY, THE ENVIRONMENT, TAXES, FINANCES, CONTRACTS, AND CORPORATE AREAS. RELEVANT RECORDS MUST NOT BE DESTROYED WHENEVER LITIGATION OR A GOVERNMENT INVESTIGATION OR AUDIT IS PENDING. UNTIL THE MATTER IS CLOSED, DESTROYING RECORDS TO AVOID DISCLOSURE IN A LEGAL PROCEEDING MAY CONSTITUTE A CRIMINAL OFFENSE. PLEASE REFER TO THE POLICY BELOW, AND WHEN IN DOUBT, CONTACT HUMAN RESOURCES.</p> <p>RECORD TYPE ORGANIZATIONAL</p> <p>1 INCORPORATION DOCUMENTS INCLUDING ARTICLES OF INCORPORATION, BYLAWS, AND RELATED DOCUMENTS ARE PERMANENTLY KEPT ON FILE.</p> <p>2 TAX-EXEMPTION DOCUMENTS INCLUDING APPLICATION FOR TAX EXEMPTION (IRS FORM 1023), IRS DETERMINATION LETTER, AND ANY RELATED DOCUMENTS ARE PERMANENTLY KEPT ON FILE. FEDERAL LAW REQUIRES COPIES OF THESE DOCUMENTS TO BE HELD AT ORGANIZATION'S HEADQUARTERS OFFICE. THESE RECORDS MUST BE MADE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST.</p> <p>3 MEETING/BOARD DOCUMENTS INCLUDING AGENDAS, MINUTES AND RELATED DOCUMENTS ARE PERMANENT. CARE IS TAKEN TO INCLUDE ONLY NECESSARY INFORMATION IN THESE DOCUMENTS.</p> <p>RECORD TYPE FINANCIAL</p> <p>1 PAYCHECKS ARE KEPT ON FILE FOR 8 YEARS.</p> <p>2 PAYROLL RECORDS-INCLUDING NAME, ADDRESS, SOCIAL SECURITY NUMBER, WAGE RATE, NUMBER OF HOURS WORKED DAILY, AND WEEKLY GROSS WAGES, DEDUCTIONS, ALLOWANCES CLAIMED AND NET WAGES ARE KEPT ON FILE FOR 6 YEARS.</p> <p>3 YEAR END TREASURER'S FINANCIAL REPORT/STATEMENT ARE KEPT PERMANENTLY.</p> <p>4 TREASURER'S REPORTS, ARE KEPT ON FILE FOR THREE YEARS AND ARE STORED WITH FINANCIAL RECORDS.</p> <p>5 BANK STATEMENTS, CANCELED CHECKS, CHECK REGISTERS, INVESTMENT STATEMENTS, GENERAL LEDGER, AND RELATED DOCUMENTS ARE KEPT ON FILE FOR SEVEN YEARS AND ARE STORED WITH FINANCIAL RECORDS.</p> <p>6 ANNUAL INFORMATION RETURNS (IRS FORMS 990) ARE KEPT ON FILE FOR SEVEN YEARS AND ARE STORED WITH FINANCIAL RECORDS. FEDERAL LAW REQUIRES THAT THE THREE MOST RECENT YEARS RETURNS BE KEPT IN THE ORGANIZATION'S HEADQUARTERS OFFICE AND BE MADE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST.</p> <p>RECORD TYPE HUMAN RESOURCES</p> <p>1 PERSONNEL FILE RECORDS-INCLUDING APPLICATION, PRE-EMPLOYMENT TESTS, PERFORMANCE APPRAISAL, RATE CHANGES, POSITION CHANGES, TRANSFERS, PROMOTIONS, DEMOTIONS, DOCUMENTATION OF DISCIPLINARY ACTIONS AND JOB DESCRIPTIONS ARE KEPT ON FILE FOR 6 YEARS AFTER TERMINATION.</p> <p>2 EMPLOYEE MEDICAL RECORDS AND ANALYSIS AS REQUIRED BY OSHA ARE KEPT ON FILE FOR THE DURATION OF EMPLOYMENT PLUS 30 YEARS.</p> <p>3 MSDS (MATERIAL SAFETY DATA SHEETS) OR SOME IDENTIFICATION OF SUBSTANCE USED OR FOUND ARE KEPT ON FILE FOR THE DURATION OF EMPLOYMENT PLUS 30 YEARS.</p> <p>4 RECORDS PERTAINING TO UNFAIR OR DISCRIMINATORY EMPLOYMENT PRACTICES AND AMERICANS WITH DISABILITIES ACT ARE KEPT UNTIL THE FINAL DISPOSITION OF THE CHARGE OR ACTION.</p> <p>5 ACCIDENT REPORTS AND WORKERS' COMPENSATION CLAIMS ARE KEPT ON FILE FOR 11 YEARS.</p> <p>6 APPLICATIONS (NON-HIRES) ARE KEPT ON FILE FOR 1 YEAR.</p> <p>7 ATTENDANCE RECORDS ARE KEPT ON FILE FOR 4 YEARS.</p> <p>8 COBRA RECORDS ARE KEPT ON FILE FOR 3 YEARS.</p> <p>9 EMPLOYEE BENEFIT PLANS ARE KEPT ON FILE FOR 2 YEARS FOLLOWING THE TERMINATION OF THE PLAN.</p> <p>10 EMPLOYMENT ADVERTISEMENTS ARE KEPT ON FILE FOR 3 YEARS.</p> <p>11 ERISA RETIREMENT AND PENSION RECORDS (EMPLOYEE RETIREMENT INCOME SECURITY ACT) ARE KEPT ON FILE INDEFINITELY.</p> <p>12 I-9 FORMS ARE KEPT ON FILE FOR 3 YEARS AFTER EMPLOYMENT BEGINS OR 1 YEAR BEYOND TERMINATION, WHICHEVER IS LATER.</p> <p>13 LABOR CONTRACTS ARE KEPT ON FILE INDEFINITELY.</p> <p>14 MEDICAL AND EXPOSURE RECORDS RELATING TO TOXIC SUBSTANCES ARE KEPT ON FILE FOR 40 YEARS.</p> <p>15 OSHA LOGS (OCCUPATIONAL SAFETY AND HEALTH ACT) EMPLOYERS MUST MAINTAIN A LOG THAT RECORDS WORKER'S JOB-RELATED INJURIES OR ILLNESSES, THE DATES, AND THE NATURE OF THE INCIDENTS. LOGS ARE KEPT ON FILE FOR 5 YEARS FOLLOWING THE END OF THE YEAR WHICH THEY RELATE, PLUS THE CURRENT YEAR.</p> <p>16 OSHA TRAINING DOCUMENTATION ARE KEPT ON FILE FOR 3 YEARS.</p>

Identifier	Return Reference	Explanation
COMPENSATION POLICY	FORM 990, PART VI, SECTION B, LINE 15A AND 15B	<p>AIMS THE PRIMARY AIMS OF THE COMPENSATION POLICY AND COMPENSATION PRACTICES OF THE INSTITUTE FOR HEALTHCARE IMPROVEMENT ARE THESE (A) TO PRESERVE AND ENHANCE THE VITALITY OF IHI AS A SYSTEM, (B) TO ATTRACT AND RETAIN WORLD-CLASS STAFF AND FACULTY BEST ABLE TO ADVANCE IHI'S MISSION, (C) TO FOSTER A CULTURE OF TEAMWORK, TRUST, AND TRANSPARENCY, AND (D) TO NURTURE PRIDE AND JOY IN WORK IN PURSUIT OF OUR AIMS, IHI EMBRACES "TOTAL COMPENSATION" AS A MANAGERIAL RESOURCE. THUS, CONSISTENT WITH REGULATORY AND LEGAL REQUIREMENTS, IHI EMPLOYEES EXPERIENCE GROWTH AND EDUCATION OPPORTUNITIES, CELEBRATIONS, ENGAGEMENT IN TEAMS AND PROJECTS, FLEXIBILITY REGARDING FAMILY AND PERSONAL CIRCUMSTANCES, AND OTHER NON-FINANCIAL BENEFITS OF BEING RESPECTED AND VALUED MEMBERS OF A COMMUNITY WITH A SHARED AND INSPIRING PURPOSE.</p> <p>1 REGULATORY AND LEGAL COMPLIANCE THE COMPENSATION POLICY OF THE INSTITUTE FOR HEALTHCARE IMPROVEMENT (IHI) WILL REMAIN AT ALL TIMES CONSISTENT WITH THE REGULATORY AND LEGAL REQUIREMENTS OF COMPENSATION IN A 501 (C)(3) NON-PROFIT ORGANIZATION. THE IHI BOARD AND MANAGEMENT WILL REGULARLY SEEK, OBTAIN, AND DOCUMENT INDEPENDENT OUTSIDE CONSULTATIVE REVIEW TO ASSURE SUCH CONSISTENCY.</p> <p>2 BASE SALARY AND TOTAL CASH COMPENSATION TARGET LEVELS IHI AIMS TO COMPENSATE EMPLOYEES WITH BASE SALARIES AND TOTAL CASH COMPENSATION WITHIN THE 50TH TO 75TH PERCENTILE OF SALARIES AND TOTAL CASH COMPENSATION FOR COMPARABLE JOBS IN COMPARABLE ORGANIZATIONS. IHI WILL REGULARLY SEEK AND OBTAIN INFORMATION ON COMPARABILITY FROM INDEPENDENT CONSULTANTS AND RELEVANT, ACCESSIBLE DATABASES.</p> <p>3 ADJUSTMENT TO BASE SALARY AND TOTAL CASH COMPENSATION FOR CHANGES IN RESPONSIBILITY IHI MANAGEMENT WILL REGULARLY REVIEW AND ADJUST SALARIES AND TOTAL CASH COMPENSATION FOR INDIVIDUAL EMPLOYEES TO TARGET THE 50TH TO 75TH PERCENTILE AS INDIVIDUALS' SPANS OF CONTROL AND RESPONSIBILITY CHANGE, AND WILL REPORT ANNUALLY TO THE IHI BOARD, FOR BOARD REVIEW AND APPROVAL, ON THE OVERALL PROFILE OF SALARY AND TOTAL CASH COMPENSATION LEVELS.</p> <p>4 ANNUAL ADJUSTMENTS TO BASE SALARIES AT LEAST ANNUALLY, IHI MANAGEMENT, THROUGH THE BUDGET PROCESS, WILL REVIEW COMPARATIVE LOCAL AND NATIONAL COMPENSATION DATA AND RECOMMEND INCREASES, IF ANY, TO THE BASE SALARIES OF EMPLOYEES. IT IS THE INTENT OF IHI TO MAINTAIN COMPETITIVE TOTAL COMPENSATION AT THE TARGETED LEVELS (SEE #2 ABOVE) COMPARED TO THE MARKETS WHERE THE ORGANIZATION RECRUITS TALENT. MANAGEMENT RECOMMENDATION WILL BE PRESENTED TO THE FINANCE COMMITTEE AND BE APPROVED BY THE IHI BOARD, RECOGNIZING THE OVERALL CIRCUMSTANCES OF IHI AND THE AIMS OF THE COMPENSATION POLICY AND PRACTICES.</p> <p>5 FOCUS ON ORGANIZATIONAL PERFORMANCE IHI DOES NOT USE INDIVIDUALIZED "MERIT PAY" OR INDIVIDUALIZED PERFORMANCE-BASED CHANGES IN COMPENSATION OR BONUSES. THE AWARDED OF PERIODIC CASH BONUSES WILL BE BASED ON THE DOCUMENTED ASSESSMENT BY THE COMPENSATION COMMITTEE AND THE BOARD OF THE ORGANIZATION'S OVERALL ACHIEVEMENTS IN FURTHERING ITS MISSION AND OBJECTIVES.</p> <p>6 BONUSES TO NON-EXECUTIVE EMPLOYEES BONUSES TO ALL NON-EXECUTIVE EMPLOYEES AS A GROUP, BASED ON SUCCESSFUL OVERALL PERFORMANCE, MAY BE AWARDED IN GRATITUDE AND CELEBRATION BY THE BOARD ANNUALLY OR OTHERWISE, UPON RECOMMENDATION FROM IHI MANAGEMENT. IN GENERAL, THE ABSOLUTE BONUS AMOUNT FOR ALL SALARIED, NON-EXECUTIVE EMPLOYEES WILL BE EQUAL, ADJUSTED PRO RATA FOR FULL-TIME EQUIVALENCY AND, FOR THE FIRST TWO YEARS OF EMPLOYMENT, LENGTH OF SERVICE.</p> <p>7 BOARD REVIEW AND APPROVAL OF EXECUTIVE COMPENSATION THE COMPENSATION, BENEFITS, AND BONUSES FOR THE CEO, COO, AND OTHER IHI EXECUTIVES WILL BE ESTABLISHED BY THE IHI BOARD WITH GUIDANCE FROM INDEPENDENT, OUTSIDE CONSULTANTS, AND REVIEWED NO LESS FREQUENTLY THAN EVERY THREE YEARS.</p> <p>8 BENEFITS TO THE EXTENT ALLOWED BY LAW AND REGULATION, THE IHI FAVORS HIGHLY FLEXIBLE BENEFITS FOR EMPLOYEES, ENCOURAGING INDIVIDUALS TO CUSTOMIZE THEIR BENEFIT PACKAGES TO MEET THEIR INDIVIDUAL NEEDS. OVERALL BENEFIT LEVELS WILL BE REVIEWED AND APPROVED BY THE BOARD NO LESS OFTEN THAN EVERY THREE YEARS WITH OUTSIDE CONSULTATION FOR COMPETITIVENESS AND COMPARABILITY WITH BENEFITS IN SIMILAR ORGANIZATIONS.</p> <p>9 ROLE AND PROCEDURES FOR IHI BOARD COMPENSATION COMMITTEE PROCEDURES FOR OVERSIGHT OF COMPENSATION AND BENEFITS FOR IHI EXECUTIVES ARE EXERCISED ON BEHALF OF THE IHI BOARD BY THE IHI BOARD COMPENSATION COMMITTEE, WHOSE MEMBERSHIP IS ESTABLISHED BY THE FULL BOARD. THE CONCLUSIONS AND RECOMMENDATIONS OF THE COMPENSATION COMMITTEE ARE REVIEWED AND APPROVED REGULARLY BY THE FULL IHI BOARD. THE COMPENSATION COMMITTEE ALSO REVIEWS AND GUIDES MANAGEMENT ACTIVITY WITH RESPECT TO IMPLEMENTATION OF THE COMPENSATION POLICY FOR NON-EXECUTIVE EMPLOYEES. DISCUSSIONS OF ALL COMPENSATION MATTERS WITHIN THE COMPENSATION COMMITTEE OR THE FULL BOARD ARE DOCUMENTED IN WRITING. THIS POLICY WAS APPROVED BY THE IHI BOARD OF DIRECTORS ON SEPTEMBER 20, 2007.</p>

Identifier	Return Reference	Explanation
JOINT VENTURE	FORM 990, PART VI, SECTION B, LINE 16A AND 16B	<p>POLICY ON BUSINESS RELATIONSHIPS - COMMERCIAL CO-VENTURES, PARTNERSHIPS, ETC APRIL 2009 P OLICY THIS POLICY REQUIRES THE ORGANIZATION TO EVALUATE ITS PARTICIPATION IN JOINT VENTUR ES AND OTHER ARRANGEMENTS UNDER APPLICABLE FEDERAL TAX LAW, AND TAKE STEPS TO SAFEGUARD TH E ORGANIZATION'S EXEMPT STATUS WITH RESPECT TO SUCH ARRANGEMENTS PRIOR TO ENTERING INTO A NY POTENTIAL BUSINESS RELATIONS, IHI REQUIRES THAT ALL RELATIONSHIPS GO THOROUGH A VETTING PROCESS THAT INCLUDES A THOROUGH REVIEW BY OUR BUSINESS TEAM WHICH INCLUDES REPRESENTATIV ES THROUGHOUT THE ORGANIZATION INCLUDING BUSINESS DEVELOPMENT, MARKETING, FINANCE, RESOURC ES AND THE EXECUTIVE TEAM DURING THE VETTING PROCESS, RELATIONSHIPS THAT MAY CONSTITUTE C O-VENTURES, PARTNERSHIPS, ETC NEED TO BE REVIEWED WITH OUR ATTORNEY S (GOULSTON AND STORRS) AND OUR AUDIT AND TAX FIRM (KPMG) OUR SENIOR VICE PRESIDENT MANAGES THE RELATIONSHIP WI TH OUR LEGAL TEAM, AND OUR CHIEF FINANCIAL OFFICER MANAGES OUR RELATIONSHIP WITH OUR AUDIT FIRM BEFORE PROCEEDING WITH ENTERING INTO ANY NEW AGREEMENTS THAT WOULD CONSTITUTE A CO- VENTURE, OR PARTNERSHIP, OR ARRANGEMENT THAT COULD AFFECT OUR EXEMPT STATUS, BOTH LEGAL AND D AUDIT/TAX CONCLUSIONS ARE PRESENTED TO THE NEW BUSINESS TEAM FOR REVIEW AND APPROVAL WH EN APPROPRIATE THE CHIEF OPERATING OFFICER AND EXECUTIVE VICE PRESIDENT MAY REQUEST THAT T HE RELATIONSHIP/AGREEMENT BE PRESENTED TO AND APPROVED BY THE EXECUTIVE COMMITTEE OF THE B OARD AND OR THE ENTIRE BOARD BEFORE PROCEEDING DEFINITIONS COMMERCIAL CO-VENTURE - AN AR RANGEMENT BETWEEN A CHARITABLE OR NONPROFIT ORGANIZATION AND A FIRM OTHERWISE ENGAGED IN B USINESS, WHERE A PRODUCT, SERVICE OR EVENT IS PROMOTED BY THE COMMERCIAL BUSINESS ON THE R EPRESENTATION THAT SOME PART OF THE PROCEEDS WILL BENEFIT THE CHARITABLE ORGANIZATION THE LAWS INVOLVING COMMERCIAL CO-VENTURES ARE COMPLEX AND STILL EMERGING AT BOTH THE FEDERAL AND STATE LEVELS A FEW STATES REQUIRE REGISTRATION IN OTHERS, THE CONTRACT BETWEEN THE O RGANIZATION AND THE COMMERCIAL CO-VENTURER IS REQUIRED TO CONTAIN A NUMBER OF PROVISIONS A ND, IN SOME STATES, THE CONTRACT HAS TO BE FILED PARTNERSHIP - A CONTRACTUAL ARRANGEMENT MAY CREATE A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES IF THE PARTIES CARRY ON A TRADE, BUSINESS OR OTHER VENTURE AND DIVIDE THE PROFITS ARISING FROM SUCH ACTIVITIES CHARITABLE STATUS AND JOINT VENTURE STRUCTURE BELOW ARE SOME OF THE OPERATIONAL AND ORGANIZATIONAL RE QUIREMENTS IMPOSED ON JOINT VENTURES BETWEEN TAX-EXEMPT ORGANIZATIONS AND FOR-PROFIT ORGAN IZATIONS AND OTHER LEGAL CONCERNS IN ORDER TO PROTECT IHI'S TAX-EXEMPT STATUS THESE REPRE SENT ONLY A PORTION OF THE LEGAL AND TAX REQUIREMENTS AND ALL INDIVIDUAL AGREEMENTS NEED T O BE REVIEW BY COUNSEL AS WELL AS AUDIT AND TAX STAFF (AS REFERENCED ABOVE) THESE REQUIRE MENTS AND CONCERNS INCLUDE THE FOLLOWING 1 IHI NEEDS EITHER TO CONTROL ANY GOVERNING BOA RD RELATED TO THE RELATIONSHIP OR, AT THE MINIMUM, TO CONTROL ANY ACTION TAKEN OR DECISION MADE BY THE BOARD IN CONNECTION WITH IHI'S CHARITABLE MISSION TO ENSURE THAT THE ACTION O R DECISION FURTHERS IHI'S EXEMPT PURPOSE UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE C ODE OF 1986, AS AMENDED (THE "CODE") FOR EXAMPLE, IHI SHOULD HAVE APPROVAL OVER CONTENT O F ANY EVENT OR CONFERENCE TO ENABLE IT TO ENSURE THAT IT IS CONSISTENT WITH IHI'S EXEMPT P URPOSES 2 IHI SHOULD BE ABLE TO TERMINATE THE AGREEMENT IF IT MAKES A DETERMINATION IN G OOD FAITH THAT THE OPERATION OF THE FORUM IS INCONSISTENT WITH THE FURTHERANCE OF ITS EXEM PT PURPOSE UNDER SECTION 501(C)(3) OF THE CODE 3 THE SHARING OF REVENUES, LOSSES AND TAX ITEMS SHOULD BE IN PROPORTION WITH OWNERSHIP INTERESTS ADDITIONALLY, THE AGREEMENT SHOUL D SPECIFY WHETHER TAX ITEMS TO BE SHARED EQUALLY ARE DETERMINED UNDER U S OR THE COUNTRY OF ORIGIN (OF THE OTHER ENTITY) TAX PRINCIPLES 4 THE PARTIES SHOULD ASSIGN SOME VALUE TO THEIR CONTRIBUTIONS TO THE AGREEMENT IN ORDER TO SUPPORT THEIR RESPECTIVE OWNERSHIP INTER ESTS 5 THE AGREEMENT SHOULD SPECIFY HOW OFTEN DISTRIBUTIONS SHOULD BE MADE TO THE PARTIE S AND WHETHER THERE WILL BE ANY DISTRIBUTIONS FOR THE PURPOSE OF PAYING TAX ON THE INCOME FROM THE AGREEMENT, IF ANY 6 ANY COMPENSATION ARRANGEMENT, LEASES, SERVICE PROVIDER AGRE EMENT OR ANY OTHER TYPE OF OBLIGATION OF THE AGREEMENT MUST BE REASONABLE AND REFLECT THE FAIR MARKET VALUE OF WHAT IS BEING PROVIDED UBTI/OTHER POTENTIAL TAX LIABILITY 7 ALL INC OME ARISING FROM ACTIVITIES NOT SUBSTANTIALLY RELATED TO IHI'S CHARITABLE MISSION (E G AD VERTISING INCOME) WILL BE UBTI TO IHI IHI'S ORGANIZING DOCUMENTS AND APPLICATION FOR EXEM PTION (FORM 1023) SHOULD BE REVIEWED TO DETERMINE WHETHER INCOME FROM AN OWNERSHIP INTERES T IN THE FORUM (OTHER THAN ADVERTISING INCOME) IS UBTI AS A JOINT VENTURE/PARTNERSHIP, IHI I MAY RECEIVE INCOME FROM SOURCES OUTSIDE THE U S , I E., REVENUE FROM CONFERENCE FEES OR ADMISSIONS THIS MEANS THAT EVEN THOUGH IHI WOULD BE EXEMPT FROM U S TAX ON THE INCOME, IF ANY, IT RECEIVES FROM THE AGREEMENT, IT MAY BE S</p>

Identifier	Return Reference	Explanation
JOINT VENTURE	FORM 990, PART VI, SECTION B, LINE 16A AND 16B	UBJECT TO TAXES OUTSIDE THE U S FOR EXAMPLE UNDER UK TAX LAW, A NON-UK RESIDENT MAY BE T AXED ON THE PROFITS OF ANY TRADE CARRIED ON WITHIN THE UK THIS MEANS THAT EVEN THOUGH IHI WOULD BE EXEMPT FROM U S TAX ON THE INCOME, IF ANY , IT RECEIVES FROM THE FORUM, IT MAY B E SUBJECT TO UK TAX

Identifier	Return Reference	Explanation
PUBLIC DISCLOSURE	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , FINANCIAL STATEMENTS, AND FORM 990 ARE AVAILABLE UPON REQUEST THE FORM 990 IS ALSO POSTED ON WWW GUIDESTAR ORG AND THE WEBSITE OF THE MASSACHUSETTS ATTORNEY GENERAL