


Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 <div> <div>2010</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE HERITAGE FOUNDATION		D Employer identification number 23-7327730
	Doing Business As		E Telephone number (202) 546-4400
	Number and street (or P O box if mail is not delivered to street address) 214 MASSACHUSETTS AVENUE NE	Room/suite	
	City or town, state or country, and ZIP + 4 WASHINGTON, DC 20002		G Gross receipts \$ 128,474,643
	F Name and address of principal officer DR EDWIN J FEULNER JR 214 MASS AVE NE WASHINGTON, DC 20002		
		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)

I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () <input type="checkbox"/> (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number <input type="text"/>	
J Website: <input type="text"/> WWW.HERITAGE.ORG			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other <input type="text"/>		L Year of formation 1973	M State of legal domicile DC

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO FORMULATE AND PROMOTE CONSERVATIVE PUBLIC POLICIES BASED ON THE PRINCIPLES OF FREE ENTERPRISE, LIMITED GOVERNMENT, INDIVIDUAL FREEDOM, TRADITIONAL AMERICAN VALUES, AND A STRONG NATIONAL DEFENSE		
	2 Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	23
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	21
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	530	
6 Total number of volunteers (estimate if necessary)	6	231	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 71,755,400	Current Year 73,957,186
	9 Program service revenue (Part VIII, line 2g)	331,511	432,344
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-4,677,979	2,243,003
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,821,785	1,621,331
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	69,230,717	78,253,864
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	80,611
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		28,570,672	31,184,583
16a Professional fundraising fees (Part IX, column (A), line 11e)		3,159,528	4,111,462
16b Total fundraising expenses (Part IX, column (D), line 25) <u>15,150,318</u>			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		37,231,874	44,608,035
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		69,042,685	80,378,250
19 Revenue less expenses Subtract line 18 from line 12		188,032	-2,124,386
Net Assets or Fund Balances		20 Total assets (Part X, line 16)	Beginning of Current Year 183,342,796
	21 Total liabilities (Part X, line 26)	27,148,226	31,347,893
	22 Net assets or fund balances Subtract line 21 from line 20	156,194,570	164,819,678

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	***** Signature of officer			2011-08-08 Date	
	DR EDWIN J FEULNER JR PRESIDENT Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name BILL TURCO		Preparer's signature BILL TURCO		Date
	Check if self-employed <input checked="" type="checkbox"/>				PTIN
	Firm's name ▶ RSM MCGLADREY INC				Firm's EIN ▶
	Firm's address ▶ 9737 WASHINGTONIAN BLVD 400 GAITHERSBURG, MD 208787340				Phone no ▶ (301) 296-3600

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

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

TO FORMULATE AND PROMOTE CONSERVATIVE PUBLIC POLICIES BASED ON THE PRINCIPLES OF FREE ENTERPRISE, LIMITED GOVERNMENT, INDIVIDUAL FREEDOM, TRADITIONAL AMERICAN VALUES, AND A STRONG NATIONAL DEFENSE

2

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

Yes

No

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

3

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

Yes

No

If “Yes,” describe these changes on Schedule O

4

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

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

4a

(Code) (Expenses \$ 27,178,337 including grants of \$ 39,556) (Revenue \$)

(SEE SCHEDULE O)PUBLIC POLICY RESEARCH THE HERITAGE FOUNDATION PRODUCES HUNDREDS OF RESEARCH PAPERS, WEB MEMOS, BLOG POSTS, FACT SHEETS, GUIDES AND BOOKS ADDRESSING A BROAD RANGE OF ECONOMIC, DOMESTIC, DEFENSE, FOREIGN AND SOCIAL POLICY ISSUES THESE PUBLICATIONS ANALYZE BOTH CURRENT PUBLIC POLICIES AND ALTERNATIVE POLICY RECOMMENDATIONS FOR SUBSTANCE AND MERIT THE RESULTS OF OUR RESEARCH ARE AVAILABLE IN PRINT FORMAT AND AT NO CHARGE THROUGH OUR WEBSITE, WHICH IS VISITED BY MILLIONS ADDITIONAL INFORMATION IS AVAILABLE IN OUR 2010 ANNUAL REPORT, AVAILABLE ONLINE AT HERITAGE ORG

4b

(Code) (Expenses \$ 10,732,842 including grants of \$ 416,777) (Revenue \$)

(SEE SCHEDULE O)MEDIA AND GOVERNMENT RELATIONS THE HERITAGE FOUNDATION DISTRIBUTES ITS RESEARCH PRODUCT TO MEMBERS OF CONGRESS, CONGRESSIONAL STAFF, POLICYMAKERS IN THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT, STATE OFFICIALS, JOURNALISTS, MEMBERS OF THE ACADEMIC COMMUNITY, OTHER NON-PROFIT ORGANIZATIONS, THE GENERAL PUBLIC AND DONORS, WHO TOTAL MORE THAN 710,000 THE FOUNDATION CONDUCTED HUNDREDS OF BRIEFINGS FOR OFFICIALS, LAWMAKERS AND THEIR STAFF ON ISSUES RANGING FROM FEDERAL SPENDING AND UNFUNDED LIABILITIES TO HOMELAND SECURITY AND TAX POLICY OUR ANALYSTS MADE OVER 3,800 RADIO AND TELEVISION APPEARANCES IN 2010, AND EARNED MORE THAN 1,400 OP-ED PLACEMENTS IN MAJOR PRINT AND ONLINE MEDIA OUTLETS WE SENT OUT A DAILY NEWSLETTER, THE MORNING BELL, TO OVER 155,000 SUBSCRIBERS, AND PUBLISHED THOUSANDS OF BLOG POSTS ON THE FOUNDRY WE ALSO CONDUCTED IN-DEPTH ISSUES-RELATED SEMINARS FOR MEMBERS OF THE MEDIA, ADDRESSING TOPICS SUCH AS HEALTHCARE AND HOMELAND SECURITY FINALLY, HERITAGE CONDUCTED "BOOT CAMPS" TEACHING COMPUTER ASSISTED RESEARCH AND REPORTING SKILLS TO MORE THAN 80 JOURNALISTS ADDITIONAL INFORMATION IS AVAILABLE IN OUR 2010 ANNUAL REPORT, AVAILABLE ONLINE AT HERITAGE ORG

4c

(Code) (Expenses \$ 25,293,165 including grants of \$ 13,122) (Revenue \$ 1,501,320)

(SEE SCHEDULE O)EDUCATIONAL PROGRAMS IN ADDITION TO PUBLIC POLICY RESEARCH AND DISSEMINATION, THE HERITAGE FOUNDATION HOSTS EVENTS AND SPONSORS PROGRAMS TO EDUCATE GOVERNMENT OFFICIALS, THE ACADEMIC COMMUNITY, JOURNALISTS AND THE GENERAL PUBLIC ON TOPICS RANGING FROM THE FOUNDING FATHERS AND CIVIL SOCIETY TO POLITICAL PHILOSOPHY, AND LEGAL PRINCIPLES OUR LECTURES AND SEMINARS PROGRAM PRODUCES 185 PUBLIC EVENTS ATTRACTING NEARLY 12,000 ATTENDEES OUR RESOURCE BANK CONFERENCE DRAWS MORE THAN 540 CONSERVATIVE POLICY EXPERTS, ACTIVISTS, CONGRESS MEMBERS AND ENTREPRENEURS FOR THREE DAYS OF WORKSHOPS AND DISCUSSIONS AND OUR INTERN PROGRAM PROVIDES MORE THAN 160 YOUNG PEOPLE AN INVALUABLE WORK-STUDY EXPERIENCE IN WASHINGTON, DC WE TRAINED AND GRADUATED AROUND 40 YOUNG CAPITOL HILL STAFFERS FROM OUR CONGRESSIONAL FELLOWS PROGRAM AND HOSTED FOUR NATIONAL MEETINGS AND 54 REGIONAL MEETINGS FOR OUR MEMBERS, ATTRACTING NEARLY 10,000 TOTAL PARTICIPANTS ADDITIONAL INFORMATION IS AVAILABLE IN OUR 2010 ANNUAL REPORT, AVAILABLE ONLINE AT HERITAGE ORG

4d

Other program services (Describe in Schedule O)

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






















4e

Total program service expenses

\$ 63,204,344

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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i>	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? <i>If "Yes," complete Schedule C, Part III.</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
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? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	Yes
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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	Yes
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i> 	14b	Yes
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i> 	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Parts III and IV.</i> 	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</i> 	17	Yes
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> 	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> 	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	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, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	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> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
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 11 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 <input type="checkbox"/>				
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	252	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	530	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).				
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b	If "Yes," enter the name of the foreign country: 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?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e	Did the organization 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?				
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?				
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?				
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		No

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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed: AK, AL, AR, AZ, CO, CT, DC, DE, FL, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MS, MO, MT, NC, ND, NE, NJ, NH, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: VERN MCHARGUE
214 MASSACHUSETTS AVENUE NE
WASHINGTON, DC 20002
(202) 546-4400

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

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

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, and **current** key employees 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, and 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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) THOMAS A SAUNDERS III CHAIRMAN	2 00	X		X				0	0	0
(2) RICHARD M SCAIFE VICE CHAIRMAN	2 00	X		X				0	0	0
(3) J FREDERIC RENCH SECRETARY	2 00	X		X				0	0	0
(4) MEG ALLEN DIRECTOR	2 00	X						0	0	0
(5) DOUGLAS F ALLISON DIRECTOR	2 00	X						0	0	0
(6) LARRY P ARNN DIRECTOR	2 00	X						0	0	0
(7) HON BELDEN H BELL DIRECTOR	2 00	X						0	0	0
(8) MIDGE DECTOR DIRECTOR	2 00	X						0	0	0
(9) STEVE FORBES DIRECTOR	2 00	X						0	0	0
(10) ROBERT J HERBOLD DIRECTOR	2 00	X						0	0	0
(11) TODD W HERRICK DIRECTOR	2 00	X						0	0	0
(12) JERRY HUME DIRECTOR	2 00	X						0	0	0
(13) KAY COLES JAMES DIRECTOR	2 00	X						0	0	0
(14) HON J WILLIAM MIDDENDORF II DIRECTOR	2 00	X						0	0	0
(15) ABBY MOFFAT DIRECTOR	2 00	X						0	0	0
(16) NERSI NAZARI DIRECTOR	2 00	X						0	0	0

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) ROBERT PENNINGTON DIRECTOR	2 00	X						0	0	0
(18) WILLIAM E SIMON JR DIRECTOR	2 00	X						0	0	0
(19) BRIAN TRACY DIRECTOR	2 00	X						0	0	0
(20) BARB VAN ANDEL-GABY DIRECTOR	2 00	X						0	0	0
(21) MARION WELLS DIRECTOR	2 00	X						0	0	0
(22) EDWIN J FEULNER JR PRESIDENT	40 00	X		X				1,025,922	0	66,161
(23) PHILLIP N TRULUCK EXECUTIVE VICE PRESIDENT	40 00	X		X				636,207	0	66,161
(24) EDWIN MEESE III DISTINGUISHED FELLOW	40 00			X				342,215	0	64,211
(25) DAVID ADDINGTON VP DOMESTIC & ECONOMIC POLICY	40 00			X				57,475	0	918
(26) BECKY DUNLOP V P EXTERNAL RELATIONS	40 00			X				206,202	0	41,035
(27) JOHN-PETER FOGARTY V P DEVELOPMENT	40 00			X				184,252	0	29,935
(28) MICHAEL G FRANC V P GOV RELATIONS	40 00			X				220,373	0	52,340
(29) MIGUEL GONZALEZ V P COMMUNICATIONS	40 00			X				192,921	0	44,845
(30) KIM R HOLMES V P FOREIGN POLICY	40 00			X				241,039	0	59,097
(31) TED E SCHELENSKI V P FINANCE & OPERATIONS	40 00			X				204,116	0	40,518
(32) MICHAEL A SPILLER V P IT	40 00			X				157,942	0	41,830
(33) JOHN VON KANNON V P & SR COUNSELOR	40 00			X				256,438	0	61,211
(34) GENEVIEVE E WOOD V P FOR AMERICA OPERATIONS	40 00			X				213,533	0	37,131
(35) KATHLEEN ROWAN EXECUTIVE ASSISTANT	40 00			X				105,173	0	15,322
(36) ERNEST ISTOOK DISTINGUISHED FELLOW	40 00					X		272,409	0	22,575
(37) ELAINE CHAO DISTINGUISHED FELLOW	40 00					X		258,431	0	29,044
(38) STUART M BUTLER V P DOMESTIC POLICY	40 00					X		254,466	0	67,101
(39) JAMES D FOSTER SENIOR FELLOW	40 00					X		202,959	0	32,484
(40) JAMES M TALENT DISTINGUISHED FELLOW	40 00					X		186,075	0	15,988
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,218,148	0	787,907

2

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

79

		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	No
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		
(A) Name and business address		(B) Description of services	(C) Compensation
KADCON CORPORATION 1053 31ST ST NW WASHINGTON, DC 20007		CONSTRUCTION	2,641,311
PREMIERE RADIO NETWORKS 15260 VENTURA BLVD SHERMAN OAKS, CA 91403		MKTG & ADVERTISING	2,399,992
CONRAD DIRECT INC 300 KNICKERBOCKER RD CRESSKILL, NJ 07626		MAILING CONTACT MANAGEMENT	1,993,170
GIVE RIGHT INC 11500 OYLMPIC BLVD SUITE 540 LOS ANGELOS, CA 90064		MKTG & FUNDRAISING	1,867,617
REBECCA HAGELIN COM AND MKT 4572 25TH RD NORTH ARLINGTON, VA 22207		MKTG & ADVERTISING	1,544,200
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization		45

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	73,957,186				
	g	Noncash contributions included in lines 1a-1f \$		1,388,582				
	h	Total. Add lines 1a-1f		73,957,186				
	Program Service Revenue	2a	PUBLICATION SALES	Business Code 900099	432,344	432,344		
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f		432,344				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		1,154,256		1,154,256	
		4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties		41,725		41,725		
	6a	Gross Rents	(i) Real 1,217,067	(ii) Personal	1,217,067		1,217,067	
		b	Less rental expenses					
		c	Rental income or (loss)	1,217,067				
		d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities 50,675,504	(ii) Other 634,022	1,088,747		1,088,747	
		b	Less cost or other basis and sales expenses	49,509,633				711,146
		c	Gain or (loss)	1,165,871				-77,124
		d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
		b	Less direct expenses	b				
		c	Net income or (loss) from fundraising events . .					
	9a	Gross income from gaming activities See Part IV, line 19 . .	a					
		b	Less direct expenses	b				
c		Net income or (loss) from gaming activities . . .						
10a	Gross sales of inventory, less returns and allowances	a						
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory . .						
	Miscellaneous Revenue	Business Code						
11a	OTHER INCOME	900099	362,539			362,539		
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d		362,539					
12	Total revenue. See Instructions		78,253,864	432,344	0	3,864,334		

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	474,170	474,170		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,218,448	4,447,064	194,541	576,843
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	19,909,729	16,966,701	742,224	2,200,804
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,659,000	1,407,516	63,083	188,401
9	Other employee benefits	2,796,558	2,372,634	106,338	317,586
10	Payroll taxes	1,600,848	1,358,179	60,872	181,797
a	Fees for services (non-employees) Management				
b	Legal	206,507	147,859	54,451	4,197
c	Accounting	37,811	27,072	9,970	769
d	Lobbying				
e	Professional fundraising services See Part IV, line 17	4,111,462			4,111,462
f	Investment management fees				
g	Other	6,792,161	5,266,158	66,312	1,459,691
12	Advertising and promotion	4,876,959	3,772,109	198,316	906,534
13	Office expenses	18,103,595	14,686,242	217,960	3,199,393
14	Information technology	1,700,138	1,481,105	18,635	200,398
15	Royalties				
16	Occupancy	1,939,887	1,863,703	71,549	4,635
17	Travel	2,961,431	2,235,673	28,850	696,908
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	3,555,551	3,240,113	36,080	279,358
20	Interest	217,171	170,056	5,189	41,926
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	3,102,187	2,429,171	74,126	598,890
23	Insurance	179,617	161,416	14,663	3,538
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	STAFF TRAINING	415,570	339,256	52,296	24,018
b	HONORARIA/WRITER'S FEES	400,499	264,699	6,600	129,200
c	TEMPORARY STAFFING	118,951	93,448	1,533	23,970
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	80,378,250	63,204,344	2,023,588	15,150,318
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	17,048,620	13,759,665	0	3,288,955

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			750	1	1,000
	2	Savings and temporary cash investments			7,948,531	2	6,395,996
	3	Pledges and grants receivable, net			16,732,068	3	16,993,033
	4	Accounts receivable, net				4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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) Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			1,009,048	9	1,310,709
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	74,002,988			
	b	Less accumulated depreciation	10b	23,067,175	47,191,877	10c	50,935,813
	11	Investments—publicly traded securities			44,748,246	11	46,014,116
	12	Investments—other securities See Part IV, line 11			65,322,431	12	74,078,431
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			389,845	15	438,473
16	Total assets. Add lines 1 through 15 (must equal line 34)			183,342,796	16	196,167,571	
Liabilities	17	Accounts payable and accrued expenses			8,381,758	17	9,172,851
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			3,779,999	23	5,186,666
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			14,986,469	25	16,988,376
	26	Total liabilities. Add lines 17 through 25			27,148,226	26	31,347,893
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			134,079,679	27	143,688,866
	28	Temporarily restricted net assets			20,914,891	28	19,830,812
	29	Permanently restricted net assets			1,200,000	29	1,300,000
	Organizations that do not follow SFAS 117, 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			156,194,570	33	164,819,678
	34	Total liabilities and net assets/fund balances			183,342,796	34	196,167,571

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	78,253,864
2	Total expenses (must equal Part IX, column (A), line 25)	2	80,378,250
3	Revenue less expenses Subtract line 2 from line 1	3	-2,124,386
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	156,194,570
5	Other changes in net assets or fund balances (explain in Schedule O)	5	10,749,494
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	164,819,678

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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued 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 separated basis		
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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

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

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

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

- 1

☐

A church, convention of churches, or association of churches 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 - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

	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 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	46,853,892	47,138,503	62,910,593	71,755,400	72,557,778	301,216,166
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	46,853,892	47,138,503	62,910,593	71,755,400	72,557,778	301,216,166
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						9,450,400
6 Public Support. Subtract line 5 from line 4						291,765,766



Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	46,853,892	47,138,503	62,910,593	71,755,400	72,557,778	301,216,166
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,244,525	4,046,946	4,096,511	2,911,829	2,406,313	16,706,124
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)	3,922,121	6,187,141	104,561	234,621	369,275	10,817,719
11 Total support (Add lines 7 through 10)						328,740,009
12 Gross receipts from related activities, etc (See instructions)					12	1,781,060
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 2010 (line 6 column (f) divided by line 11 column (f))	14	88 750 %
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	86 930 %
16a 33 1/3% support test—2010. 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—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. 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—2009. 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 IIIPart III

Support 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the 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

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization THE HERITAGE FOUNDATION	Employer identification number 23-7327730
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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 may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

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

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

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

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	93,352,178	77,648,479	121,139,738	
b	Contributions	3,841,751	2,654,127	45,519	
c	Investment earnings or losses	13,306,124	17,133,224	-33,316,083	
d	Grants or scholarships				
e	Other expenditures for facilities and programs	7,725,000	3,750,000	10,000,000	
f	Administrative expenses	327,224	333,652	220,695	
g	End of year balance	102,447,829	93,352,178	77,648,479	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 99 000 %

b

Permanent endowment ▶ 1 000 %

c

Term endowment ▶

3a

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

	Yes	No
(i) unrelated organizations	3a(i)	No
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		8,521,789		8,521,789
b Buildings		53,732,891	15,128,088	38,604,803
c Leasehold improvements				
d Equipment				
e Other		11,748,308	7,939,087	3,809,221
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				50,935,813

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	178,253,864
2	Total expenses (Form 990, Part IX, column (A), line 25)	280,378,250
3	Excess or (deficit) for the year Subtract line 2 from line 1	3-2,124,386
4	Net unrealized gains (losses) on investments	412,113,196
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-1,363,702
9	Total adjustments (net) Add lines 4 - 8	910,749,494
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	108,625,108

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	189,003,358
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a12,113,196
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d-1,363,702
e	Add lines 2a through 2d	2e10,749,494
3	Subtract line 2e from line 1	378,253,864
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	578,253,864

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	180,378,250
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Other losses	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e0
3	Subtract line 2e from line 1	380,378,250
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	580,378,250

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE LONG-TERM INVESTMENT FUND, CONSISTING OF MULTIPLE FUNDED PROGRAMS, GENERAL BOARD DESIGNATED FUNDS AND OPERATING RESERVES, HAS BEEN ESTABLISHED IN ORDER TO SUPPORT THE GROWTH AND OPERATIONS OF THE FOUNDATION. THE INVESTMENTS IN THE FUND WILL BE MADE FOR THE EXCLUSIVE BENEFIT OF THE FOUNDATION. INDIVIDUAL DONOR-RESTRICTED FUNDS WILL BE GOVERNED BY THE TERMS OF THEIR GOVERNING PLAN DOCUMENTS. SEPARATE ACCOUNTING IS MAINTAINED FOR EACH FUND. FUNDS ARE USED ANNUALLY TO SUPPORT PROGRAMS IN ACCORDANCE WITH THE FOUNDATION'S SPENDING POLICY OR AS STIPULATED BY THE DONOR(S). THE LONG-TERM FUND INCLUDES A PERMANENT FUND, ESTABLISHED BY THE BOARD OF TRUSTEES, WITH THE MAIN OBJECTIVE OF LONG-TERM GROWTH OF CAPITAL IN ACCORDANCE WITH DONOR WISHES. THE PERMANENT FUND IS INCLUDED IN THE CALCULATION OF ANNUAL DRAWS USED TO SUPPORT THE OPERATIONS OF THE FOUNDATION.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE FOUNDATION IS A NOT-FOR-PROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(A), AS AN ENTITY DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE FOUNDATION HAS BEEN CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS A PUBLIC CHARITY AND IS NOT A PRIVATE FOUNDATION. CONTRIBUTIONS TO THE FOUNDATION ARE DEDUCTIBLE FOR FEDERAL INCOME, ESTATE, AND GIFT TAX PURPOSES. INCOME, WHICH IS NOT RELATED TO EXEMPT PURPOSES, IS SUBJECT TO TAX. ON JANUARY 1, 2009, THE FOUNDATION ADOPTED THE ACCOUNTING STANDARD ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH ADDRESSES THE DETERMINATION OF WHETHER TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED IN THE FINANCIAL STATEMENTS. UNDER THIS GUIDANCE, THE FOUNDATION MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE-LIKELY-THAN-NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. THE TAX BENEFITS RECOGNIZED IN THE FINANCIAL STATEMENTS FROM SUCH A POSITION ARE MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT. THE GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES ALSO ADDRESSES DE-RECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES ON INCOME TAXES, AND ACCOUNTING IN INTERIM PERIODS. MANAGEMENT EVALUATED THE FOUNDATION'S TAX POSITIONS AND CONCLUDED THAT THE FOUNDATION HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE FINANCIAL STATEMENTS TO COMPLY WITH THE PROVISIONS OF THIS GUIDANCE. WITH FEW EXCEPTIONS, THE FOUNDATION IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY THE U.S. FEDERAL, STATE OR LOCAL TAX AUTHORITIES FOR YEARS BEFORE 2007.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS - 1,399,408 UNREALIZED GAIN - INTEREST RATE SWAP 35,706
PART XII, LINE 2D - OTHER ADJUSTMENTS		UNREALIZED GAIN - INTEREST RATE SWAP 35,706 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT - 1,399,408

[illegible]

3 Enter total number of other organizations or entities ►

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

[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 (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 and/or Form 3520-A. (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 (see instructions) required in Part I, line 2, and any additional information.

Schedule F (Form 990) 2010

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☒

Mail solicitations

e

☐

Solicitation of non-government grants

b

☒

Internet and e-mail solicitations

f

☐

Solicitation of government grants

c

☒

Phone solicitations

g

☐

Special fundraising events

d

☐

In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
ODELL SIMMS & ASSOCIATES 7704 LEESBURG PIKE FALLS CHURCH, VA 22043	CONSULTS ON DIRECT MAIL PROGRAM		No	20,732,690	943,001	19,789,689
KMA DIRECT COMMUNICATION 7160 DALLAS PARKWAY STE 400 PLANO, TX 75024	CONSULTS ON MULTI CHANNEL/MEDIA PROGRAM		No	6,289,380	870,420	5,418,960
WARFIELD & WALSH INC 601 S WASHINGTON STREET ALEXANDRIA, VA 223143004	CONSULTS ON DIRECT MAIL PROGRAM		No	2,473,868	328,292	2,145,576
GIVE RIGHT INC 11500 OYLMPIC BLVD SUITE 540 LOS ANGELOS, CA 90064	TELEMARKETING PROGRAMS & THANK YOU FOLLOW UPS		No	1,926,003	1,867,617	58,386
BMD FULL SERVICE DIRECT MARKETING WASHINGTON ST 300 ALEXANDRIA, VA 22314	CONSULTS ON DIRECT MAIL PROGRAM		No	554,294	102,132	452,162
Total ▶				31,976,235	4,111,462	27,864,773

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

AL, AK, AZ, AR, CO, CT, DE, DC, FL, HI, ID, IA, IL, IN, KS, KY, LA, ME, MA, MD, MT, MS, MO, MI, NE, NV, NH, NJ, NY, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY

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

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

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

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

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address

Name

Address

16 Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer

☐ Employee

☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ▶ ☐

1 (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) CAPITOL HILL - BUSINESS IMPROVEMENT DISTRICT (CHBID)30 MASSACHUSETTS AVE NE WASHINGTON,DC 20002	52-2232461	501(C)(6)	36,388				CLEAN, SAFETY AND BEAUTIFICATION PROGRAMS IN THE CAPITOL HILL COMMUNITY
(2) HERITAGE ACTION FOR AMERICA321 D ST NE WASHINGTON,DC 20002	27-2244700	501(C)(4)	400,000				PROGRAM AND ADMINISTRATIVE ACTIVITIES, NOT TO INCLUDE LOBBYING

2

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

▶

3

Enter total number of other organizations

▶

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE HERITAGE FOUNDATION MAKES PERIODIC CONTRIBUTIONS, BUT IS NOT A GRANT-MAKING ENTITY IN THE TRADITIONAL SENSE OUR CONTRIBUTIONS TO OTHER QUALIFYING ORGANIZATIONS IN 2010 COMPRISED APPROXIMATELY APPROXIMATELY SIX TENTHS OF ONE PERCENT OF OUR TOTAL ANNUAL EXPENSE IF AN ORGANIZATION SENDS A GRANT REQUEST, THE ORGANIZATION IS RESEARCHED AND REVIEWED BY STAFF TO DETERMINE IF A GRANT ALIGNS WITH OUR OBJECTIVES AND OVERALL MISSION IF A GRANT IS AWARDED, IT MUST BE USED TO SUPPORT THOSE PURPOSES THE GRANT AMOUNT IS THEN DETERMINED BY THE RELEVANT MANAGER AND AWARDED TO THE ORGANIZATION

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

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

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
<input checked="" type="checkbox"/> Compensation committee		
<input checked="" type="checkbox"/> Independent compensation consultant		
<input checked="" type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 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		
a The organization?	5a	No
b Any related organization?	5b	No
If "Yes," to line 5a or 5b, describe in Part III		
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?	6a	No
b Any related organization?	6b	No
If "Yes," to line 6a or 6b, describe in Part III		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 23-7327730
Name: THE HERITAGE FOUNDATION

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
EDWIN J FEULNER JR	(i) (ii)	477,097 0	535,300 0	13,525 0	49,000 0	23,690 0	1,098,612 0	0 0
PHILLIP N TRULUCK	(i) (ii)	328,404 0	300,300 0	7,503 0	49,000 0	23,484 0	708,691 0	0 0
EDWIN MEESE III	(i) (ii)	281,089 0	55,300 0	5,826 0	47,050 0	24,694 0	413,959 0	0 0
BECKY DUNLOP	(i) (ii)	169,348 0	35,000 0	1,854 0	30,606 0	13,836 0	250,644 0	0 0
JOHN-PETER FOGARTY	(i) (ii)	153,692 0	30,300 0	260 0	24,117 0	10,552 0	218,921 0	0 0
MICHAEL G FRANC	(i) (ii)	172,938 0	46,300 0	1,135 0	35,179 0	23,354 0	278,906 0	0 0
MIGUEL GONZALEZ	(i) (ii)	163,075 0	29,100 0	746 0	27,684 0	22,751 0	243,356 0	0 0
KIM R HOLMES	(i) (ii)	192,566 0	46,300 0	2,173 0	41,936 0	23,350 0	306,325 0	0 0
TED E SCHELENSKI	(i) (ii)	162,609 0	36,300 0	5,207 0	30,089 0	14,244 0	248,449 0	0 0
MICHAEL A SPILLER	(i) (ii)	157,050 0	300 0	592 0	24,669 0	23,906 0	206,517 0	0 0
JOHN VON KANNON	(i) (ii)	192,566 0	60,300 0	3,572 0	44,050 0	23,431 0	323,919 0	0 0
GENEVIEVE E WOOD	(i) (ii)	172,988 0	40,150 0	395 0	31,312 0	8,379 0	253,224 0	0 0
ERNEST ISTOOK	(i) (ii)	266,575 0	2,650 0	3,184 0	22,575 0	2,525 0	297,509 0	0 0
ELAINE CHAO	(i) (ii)	255,875 0	300 0	2,256 0	22,575 0	8,506 0	289,512 0	0 0
STUART M BUTLER	(i) (ii)	195,566 0	55,300 0	3,600 0	46,050 0	26,455 0	326,971 0	0 0
JAMES D FOSTER	(i) (ii)	199,605 0	2,400 0	954 0	18,113 0	16,331 0	237,403 0	0 0
JAMES M TALENT	(i) (ii)	182,162 0	3,150 0	763 0	15,988 0	1,340 0	203,403 0	0 0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) R HAGELIN COMM & MKTG	FIRM OWNED BY FORMER OFFICER REBECCA HAGELIN	1,544,200	FORMER V P OF COMMUNICATIONS, REBECCA HAGELIN, IS A GREATER THAN 35% OWNER OF REBECCA HAGELIN COMMUNICATIONS & MARKETING THE FIRM FACILITATES A PORTION OF OUR ADVERTISING AND SPONSORSHIP RELATIONSHIPS ALL OF THE AMOUNT PAID TO THE FIRM IN 2010 REPRESENTS PASS THROUGH PAYMENTS TO ADVERTISERS, NOT CONSULTING FEES		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art	X	2	4,250	EXPERT OPINION/VALUATION
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles .				
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded	X	106	1,051,801	MARKET VALUE FROM SALES
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .				
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
25 Other ► (SOFTWARE)	X	1	332,532	MARKET COMPS
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	

30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	Yes	No
b	If "Yes," describe the arrangement in Part II		No
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?		No
b	If "Yes," describe in Part II		
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II

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

Identifier	Return Reference	Explanation
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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

2010

Open to Public
Inspection

Name of the organization THE HERITAGE FOUNDATION	Employer identification number 23-7327730
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE CHIEF ACCOUNTANT COMPILES NECESSARY INFORMATION TO COMPLETE FORM 990 PAID TAX PREPARERS THEN ASSIST IN COMPLETING THE FORM FOR FURTHER REVIEW BY MANAGEMENT DRAFTS ARE REVIEWED BY THE FOUNDATION'S CONTROLLER AND ASSISTANT CONTROLLER THE COMPLETED DRAFT IS THEN REVIEWED BY THE V P OF FINANCE & OPERATIONS ONCE ALL CORRECTIONS HAVE BEEN MADE, THE FORM IS REVIEWED BY THE PRESIDENT/CEO AND EXECUTIVE V P THOUGH THE BOARD DOES NOT REVIEW THE 990 PRIOR TO FILING, THE BOARD DOES RECEIVE A COMPLETED COPY OF THE 990 AFTER FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL NEW EMPLOYEES ARE PROVIDED A COPY OF THE FOUNDATION'S EMPLOYEE HANDBOOK, WHICH ADDRESSES CONFLICTS OF INTEREST EMPLOYEES MUST SIGN AND ACKNOWLEDGE THEY HAVE REVIEWED AND WILL ADHERE TO ALL POLICIES CONTAINED WITHIN THE FOUNDATION'S EMPLOYEE HANDBOOK SPECIFICALLY, THE EMPLOYEE HANDBOOK STATES, "NO EMPLOYEE WILL DO ANY THING IN THE CONDUCT OF HERITAGE OPERATIONS THAT WOULD VIOLATE ANY FEDERAL, STATE, OR LOCAL LAW, REGULATION, OR ORDINANCE OUTSIDE WORK WHICH IS IN CONFLICT WITH THE EFFORTS OF THE FOUNDATION IS PROHIBITED " THE HERITAGE FOUNDATION ALSO MAINTAINS A CONFLICT OF INTEREST POLICY FOR ALL TRUSTEES, WHO ARE REQUIRED TO SIGN AN ANNUAL DISCLOSURE OF CONFLICTS OF INTEREST

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	COMPENSATION, INCLUDING SALARIES, BONUSES AND BENEFITS, FOR OUR PRESIDENT, EXECUTIVE VICE PRESIDENT, AND OTHER MEMBERS OF SENIOR MANAGEMENT IS AUTHORIZED BY THE HERITAGE FOUNDATION'S INDEPENDENT BOARD OF TRUSTEES, AND BASED ON THE RECOMMENDATION OF THE BOARD'S COMPENSATION COMMITTEE. IN 2010, THE COMPENSATION COMMITTEE WAS COMPRISED OF FIVE INDEPENDENT, VOLUNTEER BOARD MEMBERS WHO WERE NOT, AND HAVE NEVER BEEN, EMPLOYEES OF THE FOUNDATION. IN DEVELOPING ITS RECOMMENDATIONS, THE COMMITTEE CONSIDERS MARKET DATA AND OTHER SALARY AND BENEFIT SURVEY INFORMATION REGARDING THE COMPENSATION OF SIMILARLY SITUATED EXECUTIVES, WHICH IS PREPARED FOR THE COMMITTEE BY AN OUTSIDE COMPENSATION EXPERT. BECAUSE THE MANAGEMENT AND LEADERSHIP SKILLS OF HERITAGE EXECUTIVES HAVE A SIGNIFICANT EFFECT ON THE FOUNDATION'S SUCCESS, A SIGNIFICANT PORTION OF CASH COMPENSATION IS IN THE FORM OF A BONUS. BONUSES ARE CONTINGENT ON THE SUCCESS OF THE ORGANIZATION, THE DEPARTMENTS THE EXECUTIVE LEADS, AND THEIR OWN PERFORMANCE AND ACHIEVEMENT OF ESTABLISHED GOALS. GOALS ARE REVIEWED MID-YEAR AND ANNUALLY AND QUARTERLY REPORTS OF FOUNDATION ACTIVITIES ARE PROVIDED TO THE BOARD. IN CONSIDERING AND APPROVING TOTAL COMPENSATION FOR 2010, THE COMPENSATION COMMITTEE AND THE FULL BOARD OF TRUSTEES ALSO APPROVED BENEFITS PROVIDED UNDER AN EMPLOYER-FUNDED QUALIFIED RETIREMENT PLAN, GROUP HEALTH, LIFE AND LONG-TERM DISABILITY AND LONG-TERM CARE INSURANCE PLANS, AND OTHER BENEFITS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE HERITAGE FOUNDATION MAKES ITS 990 AND FINANCIAL STATEMENTS, AVAILABLE UPON REQUEST IN COMPLIANCE WITH THE LAW

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 12,113,196 CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS -1,399,408 UNREALIZED GAIN - INTEREST RATE SWAP 35,706 TOTAL TO FORM 990, PART XI, LINE 5 10,749,494

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) HERITAGE ACTION FOR AMERICA 321 D STREET NE WASHINGTON, DC 20002 27-2244700	ADVOCACY	DC	501(C)(4)		THE HERITAGE FOUNDATION		No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

Yes

No

No

Yes

No

Yes

No

No

No

No

No

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) HERITAGE ACTION FOR AMERICA	B	400,000	CASH
(2) HERITAGE ACTION FOR AMERICA	F	26,037	FMV
(3) HERITAGE ACTION FOR AMERICA	I	52,356	FMV
(4) HERITAGE ACTION FOR AMERICA	K	245,525	COST OF SERVICES
(5)			
(6)			

Schedule R (Form 990) 2010

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 23-7327730

Name: THE HERITAGE FOUNDATION

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS A SAUNDERS III CHAIRMAN	2 00	X		X				0	0	0
RICHARD M SCAIFE VICE CHAIRMAN	2 00	X		X				0	0	0
J FREDERIC RENCH SECRETARY	2 00	X		X				0	0	0
MEG ALLEN DIRECTOR	2 00	X						0	0	0
DOUGLAS F ALLISON DIRECTOR	2 00	X						0	0	0
LARRY P ARNN DIRECTOR	2 00	X						0	0	0
HON BELDEN H BELL DIRECTOR	2 00	X						0	0	0
MIDGE DECTOR DIRECTOR	2 00	X						0	0	0
STEVE FORBES DIRECTOR	2 00	X						0	0	0
ROBERT J HERBOLD DIRECTOR	2 00	X						0	0	0
TODD W HERRICK DIRECTOR	2 00	X						0	0	0
JERRY HUME DIRECTOR	2 00	X						0	0	0
KAY COLES JAMES DIRECTOR	2 00	X						0	0	0
HON J WILLIAM MIDDENDORF II DIRECTOR	2 00	X						0	0	0
ABBY MOFFAT DIRECTOR	2 00	X						0	0	0
NERSI NAZARI DIRECTOR	2 00	X						0	0	0
ROBERT PENNINGTON DIRECTOR	2 00	X						0	0	0
WILLIAM E SIMON JR DIRECTOR	2 00	X						0	0	0
BRIAN TRACY DIRECTOR	2 00	X						0	0	0
BARB VAN ANDEL-GABY DIRECTOR	2 00	X						0	0	0
MARION WELLS DIRECTOR	2 00	X						0	0	0
EDWIN J FEULNER JR PRESIDENT	40 00	X		X				1,025,922	0	66,161
PHILLIP N TRULUCK EXECUTIVE VICE PRESIDENT	40 00	X		X				636,207	0	66,161
EDWIN MEESE III DISTINGUISHED FELLOW	40 00			X				342,215	0	64,211
DAVID ADDINGTON VP DOMESTIC & ECONOMIC POLICY	40 00			X				57,475	0	918

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
BECKY DUNLOP V P EXTERNAL RELATIONS	40 00			X				206,202	0	41,035
JOHN-PETER FOGARTY V P DEVELOPMENT	40 00			X				184,252	0	29,935
MICHAEL G FRANC V P GOV RELATIONS	40 00			X				220,373	0	52,340
MIGUEL GONZALEZ V P COMMUNICATIONS	40 00			X				192,921	0	44,845
KIM R HOLMES V P FOREIGN POLICY	40 00			X				241,039	0	59,097
TED E SCHELENSKI V P FINANCE & OPERATIONS	40 00			X				204,116	0	40,518
MICHAEL A SPILLER V P IT	40 00			X				157,942	0	41,830
JOHN VON KANNON V P & SR COUNSELOR	40 00			X				256,438	0	61,211
GENEVIEVE E WOOD V P FOR AMERICA OPERATIONS	40 00			X				213,533	0	37,131
KATHLEEN ROWAN EXECUTIVE ASSISTANT	40 00			X				105,173	0	15,322
ERNEST ISTOOK DISTINGUISHED FELLOW	40 00					X		272,409	0	22,575
ELAINE CHAO DISTINGUISHED FELLOW	40 00					X		258,431	0	29,044
STUART M BUTLER V P DOMESTIC POLICY	40 00					X		254,466	0	67,101
JAMES D FOSTER SENIOR FELLOW	40 00					X		202,959	0	32,484
JAMES M TALENT DISTINGUISHED FELLOW	40 00					X		186,075	0	15,988