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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)

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 05-01-2010 and ending 04-30-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
20 UNIVERSITY ROAD

City or town, state or country, and ZIP + 4
CAMBRIDGE, MA 02138

D Employer identification number
38-3017223

E Telephone number
(617) 301-4800

G Gross receipts $ 58,392,116

F Name and address of principal officer
MAUREEN BISOGNANO
20 UNIVERSITY ROAD
CAMBRIDGE, MA 02138

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ HTTP //WWW IHI ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1992 | **M** State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO LEAD THE IMPROVEMENT OF HEALTH CARE THROUGHOUT THE WORLD BY BUILDING THE WILL FOR CHANGE, CULTIVATING PROMISING CONCEPTS FOR IMPROVING PATIENT CARE AND HELPING HEALTH SYSTEMS IMPLEMENT THE IDEAS

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	164
6	Total number of volunteers (estimate if necessary)	**6**	455
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	5,947,678	6,151,282
	9 Program service revenue (Part VIII, line 2g)	26,257,796	30,852,445
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,035,876	2,948,969
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	389,723	643,796
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	33,631,073	40,596,492
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,241,937	3,324,681
	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)	13,521,459	15,065,376
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶36,562		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	15,672,060	17,233,555
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	31,435,456	35,623,612
	19 Revenue less expenses Subtract line 18 from line 12	2,195,617	4,972,880

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	75,143,035	84,217,974
	21 Total liabilities (Part X, line 26)	11,605,332	10,355,059
	22 Net assets or fund balances Subtract line 21 from line 20	63,537,703	73,862,915

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

****** | 2012-03-14
Signature of officer | Date

AMY HOSFORD-SWAN CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ KPMG LLP				Firm's EIN ▶
Firm's address ▶ 60 South Street Boston, MA 02111				Phone no ▶ (617) 988-1000

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

THE INSTITUTE FOR HEALTHCARE IMPROVEMENT (THE INSTITUTE) IS AN INDEPENDENT NOT-FOR-PROFIT ORGANIZATION LEADING THE IMPROVEMENT OF HEALTH CARE THROUGHOUT THE WORLD

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 $ 6,754,283 including grants of $ 3,086,255) (Revenue $ 4,572,123)

DEVELOPING COUNTRIES IHI'S WORK IN DEVELOPING COUNTRIES FOCUSES ON WORKING WITHIN EXISTING RESOURCE CONSTRAINTS TO IMPROVE HEALTHCARE SYSTEMS AND HEALTH OUTCOMES BY PARTNERING WITH LOCAL ORGANIZATIONS AND GOVERNMENTS, IHI FOCUSES ON CREATING SUSTAINABLE CHANGE THAT WILL BE CARRIED FORTH BY THESE PARTNER ORGANIZATIONS CONTINUED ON SCHEDULE O

4b (Code) (Expenses $ 5,104,230 including grants of $ 0) (Revenue $ 8,651,270)

COURSES AND OTHER PROGRAMS THE INSTITUTE OFFERS PROFESSIONAL DEVELOPMENT PROGRAMS AND SHORTER TWO DAY SEMINARS TO HELP HEALTHCARE LEADERS AND PROVIDERS ACQUIRE IMPROVEMENT KNOWLEDGE AND SKILLS IHI HAS TRAINED THOUSANDS OF HEALTHCARE PERSONNEL IN CRITICAL KNOWLEDGE AND ESSENTIAL SKILLS NECESSARY TO MAKE CONTINUOUS IMPROVEMENTS IN HEALTHCARE DELIVERY

4c (Code) (Expenses $ 4,341,611 including grants of $ 238,575) (Revenue $ 3,891,416)

GRANTS THE ORGANIZATION RECEIVED AND EXPENDED FUNDS FOR A VARIETY OF PURPOSES IN THE PURSUIT OF ITS MISSION THESE INCLUDED PROGRAMS TO PROVIDE PATIENT SELF-MANAGEMENT SKILLS, IMPROVE CARE AT THE BEDSIDE, DISSEMINATE MEDICAL BEST PRACTICES, IMPROVE CHRONIC CARE AND REDUCE UNNECESSARY HOSPITALIZATIONS THESE EFFORTS CONTRIBUTE TO IHI'S GROWING KNOWLEDGE OF OPTIMAL SYSTEM DESIGNS THAT CAN DRAMATICALLY IMPROVE PATIENT CARE

4d Other program services (Describe in Schedule O)

(Expenses $ 13,507,876 including grants of $ 0) (Revenue $ 23,266,763)

4e **Total program service expenses** ▶ $ 29,708,000

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see 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? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	Yes	
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15	Yes	
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**		No
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)? *If "Yes," complete Schedule R, Part V, line 2* ☐ **Yes** ☑ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**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 . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	198		
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	164		
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 Yes	
b	If "Yes," enter the name of the foreign country ▶ MI 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	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
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?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ MA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you 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 ▶

AMY HOSFORD-SWAN
20 UNIVERSITY ROAD
CAMBRIDGE, MA 02138
(617) 301-4800

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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								5,024,903	0	438,392

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 ▶ 23

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**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? *If "Yes," complete Schedule J for such individual*	**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? *If "Yes," complete Schedule J for such person*	**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
TOM NOLAN 1110 BONIFANT ST 420 SILVER SPRINGS, MD 20910	PROGRAM CONSULTING	267,354
KEVIN NOLAN 1110 BONIFANT ST 420 SILVER SPRINGS, MD 20910	PROGRAM CONSULTING	162,000
ROGER RESAR MD 903 SKYVIEW DR ALTOONA, WI 54720	PROGRAM CONSULTING	204,185
JOHN WHITTINGTON 1 MARTHA AVE NORMAL, IL 61761	PROGRAM CONSULTING	209,605
LLOYD PROVOST 115 E 5TH ST SUITE 300 AUSTIN, TX 78701	PROGRAM CONSULTING	198,000

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 ▶ 17

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	661,195			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	5,490,087			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		6,151,282			
Program Service Revenue		Business Code				
	2a PARTICIPATION/MEETING/CONFERENCE FEES	900099	14,249,227	14,249,227		
	b CONTRACT SERVICES	900099	12,581,143	12,581,143		
	c MEMBERSHIP DUES	900099	4,022,075	4,022,075		
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		30,852,445			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,384,775		0	1,384,775
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . . ▶		0			

		(i) Real	(ii) Personal				
	6a Gross Rents	0	0				
	b Less rental expenses						
	c Rental income or (loss)	0	0				
	d Net rental income or (loss) . . . . . ▶			0			
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	19,359,818	0				
	b Less cost or other basis and sales expenses	17,795,624					
	c Gain or (loss)	1,564,194	0				
	d Net gain or (loss) . . . . . ▶			1,564,194			1,564,194
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a		0				
	b Less direct expenses . . . b						
	c Net income or (loss) from fundraising events . . ▶			0			
	9a Gross income from gaming activities See Part IV, line 19 . a		0				
	b Less direct expenses . . . . . b						
	c Net income or (loss) from gaming activities . . . ▶			0			
	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 . . ▶			0			
	Miscellaneous Revenue		Business Code				
	11a OTHER REVENUE		900099	643,796	643,796		
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a–11d . . . . . ▶			643,796			
	12 **Total revenue.** See Instructions . . . ▶			40,596,492	31,496,241	0	2,948,969

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	238,426	238,426		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	3,086,255	3,086,255		
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,200,110	1,260,531	1,919,319	20,260
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	7,660,881	6,976,852	667,727	16,302
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	185,848	156,173	29,675	
9 Other employee benefits	1,234,605	1,037,337	197,268	
10 Payroll taxes	2,783,932	2,121,477	662,455	
a Fees for services (non-employees) Management	0			
b Legal	92,064	80,403	11,661	
c Accounting	129,250	108,612	20,638	
d Lobbying	0			
e Professional fundraising services *See Part IV, line 17*	0			
f Investment management fees	270,730	25,264	245,466	
g Other	479,680	409,568	70,112	
12 Advertising and promotion	0			
13 Office expenses	1,398,358	1,161,082	237,276	
14 Information technology	401,130	283,189	117,941	
15 Royalties	0			
16 Occupancy	992,631	834,501	158,130	
17 Travel	2,356,093	2,110,553	245,540	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	3,595,103	3,524,358	70,745	
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	689,427	579,344	110,083	
23 Insurance	117,909	99,082	18,827	
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 CONSULTING	6,493,667	5,418,590	1,075,077	
b EDUCATION & TRAINING	204,567	184,292	20,275	
c MISCELLANEOUS EXPENSE	12,946	12,111	835	
d				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	35,623,612	29,708,000	5,879,050	36,562
26 **Joint costs.** Check here ▶ ☐ 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				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		4,746,426	2	3,427,069
	3	Pledges and grants receivable, net		3,637,888	3	3,174,446
	4	Accounts receivable, net		2,032,958	4	1,511,669
	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		516,953	9	605,094
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 5,161,597			
	b	Less accumulated depreciation	10b 1,281,910	3,092,855	10c	3,879,687
	11	Investments—publicly traded securities		61,115,955	11	71,620,009
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		75,143,035	16	84,217,974
Liabilities	17	Accounts payable and accrued expenses		2,885,455	17	2,663,260
	18	Grants payable			18	
	19	Deferred revenue		3,034,399	19	3,361,560
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		5,685,478	25	4,330,239
	26	**Total liabilities.** Add lines 17 through 25		11,605,332	26	10,355,059
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		55,154,539	27	68,066,080
	28	Temporarily restricted net assets		8,383,164	28	5,796,835
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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		63,537,703	33	73,862,915
	34	Total liabilities and net assets/fund balances		75,143,035	34	84,217,974

Part XI Reconcilliation 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	40,596,492
2	Total expenses (must equal Part IX, column (A), line 25)	2	35,623,612
3	Revenue less expenses Subtract line 2 from line 1	3	4,972,880
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	63,537,703
5	Other changes in net assets or fund balances (explain in Schedule O)	5	5,352,332
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	73,862,915

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 ☐ Cash ☑ Accrual ☐ 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? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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 ☑ Separate basis ☐ Consolidated basis ☐ 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?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b	Yes	

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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
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

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

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

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

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

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

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

_____

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

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

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

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

9 ☑ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - 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?

	Yes	No
(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? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
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 ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

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 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 ")	14,676,472	14,671,587	16,430,830	10,247,452	10,173,357	66,199,698
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	25,144,961	24,394,109	23,751,601	22,347,753	27,474,166	123,112,590
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	39,821,433	39,065,696	40,182,431	32,595,205	37,647,523	189,312,288
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)						189,312,288

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	39,821,433	39,065,696	40,182,431	32,595,205	37,647,523	189,312,288
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	794,557	1,061,398	1,094,256	1,080,070	1,384,775	5,415,056
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	794,557	1,061,398	1,094,256	1,080,070	1,384,775	5,415,056
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)	40,615,990	40,127,094	41,276,687	33,675,275	39,032,298	194,727,344

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(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	97 219 %
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	97 622 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17	2 781 %
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	2 378 %

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

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? ☐ Yes ☐ No

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 ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- 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)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part 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				
b Buildings				
c Leasehold improvements		539,662	432,283	107,379
d Equipment		820,618	363,942	456,676
e Other		3,801,317	485,685	3,315,632
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				3,879,687

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
DEFERRED COMPENSATION LIABILITIES	1,935,529
REFUNDABLE ADVANCES	2,394,710
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	4,330,239

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	40,596,492
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	35,623,612
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	4,972,880
4	Net unrealized gains (losses) on investments	4	5,352,332
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	5,352,332
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	10,325,212

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	45,678,094
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	5,352,332		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	5,352,332
3	Subtract line **2e** from line **1**			3	40,325,762
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	270,730		
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	270,730
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	40,596,492

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	35,352,882
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	35,352,882
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	270,730		
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	270,730
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	35,623,612

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

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

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

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Europe (Including Iceland and Greenland)	2	2	Program Services	SEE SCHEDULE F PART IV	2,141,153
Sub-Saharan Africa	5	49	Program Services	SEE SCHEDULE F PART IV	5,092,357
East Asia and the Pacific	0	0	Program Services	SEE SCHEDULE F PART IV	95,308
North America	0	0	Program Services	SEE SCHEDULE F PART IV	63,692
South America	0	0	Program Services	SEE SCHEDULE F PART IV	8,575
3a Sub-total	7	51			7,401,085
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	7	51			7,401,085

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		Sub-Saharan Africa	HEALTH CARE	1,048,504	WIRE			
		Sub-Saharan Africa	HEALTH CARE	2,037,751	WIRE			

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ 2

3 Enter total number of other organizations or entities . . . . . ▶ 0

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.

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

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
FOREIGN ACTIVITIES	SCHEDULE F, PART I AND II	IHI'S WORK IN DEVELOPING COUNTRIES SEEKS TO SAVE LIVES THROUGH HIGHLY LEVERAGED INTERVENTIONS AMONG LARGE POPULATIONS THE MODELS AND METHODS UTILIZED IN SOUTH AFRICA, MALAWI AND GHANA ARE BORROWED FROM EFFORTS IN THE US, UK, RUSSIA AND PERU THROUGH LOCAL ADAPTATION OF THESE METHODS IN AFRICA, IHI HAS DEVELOPED NEW STYLES OF PROTOTYPING, IMPLEMENTATION AND SPREAD THAT CURRENTLY INFLUENCE IHI'S WORK ON LARGE POPULATIONS IN THE US AND AROUND THE WORLD WITH EVER-INCREASING DEMANDS TO IMPROVE ACCESS TO HEALTHCARE AND MAINTAIN COST, THE US AND OTHER COUNTRIES CAN BENEFIT FROM LESSONS LEARNED IN AFRICA WHERE DISEASE BURDENS ARE HIGH AND RESOURCES ARE LIMITED MALAWI FOUNDED IN 2006, MAIKHANDA (MEANING MOTHER AND NEONATE IN A LOCAL DIALECT, CHICHEWA) WORKS TO REDUCE MATERNAL AND NEONATAL MORBIDITY AND MORTALITY BY 30 PERCENT IN KASUNGU, LILONGWE, AND SALIMA DISTRICTS BY 2012 IHI HAS PARTNERED WITH THE HEALTH FOUNDATION, INSTITUTE OF CHILD HEALTH AT UNIVERSITY COLLEGE LONDON, CINCINNATI CHILDREN'S HOSPITAL, AND WOMEN AND CHILDREN FIRST TO MEET THESE GOALS MAIKHANDA WORKS CLOSELY WITH COMMUNITIES TO ENSURE THAT IMPROVEMENTS ARE POSITIVE AND SUSTAINABLE MAIKHANDA IS SOLELY FUNDED BY THE HEALTH FOUNDATION IT IS A CHARITABLE TRUST (GOVERNED BY A BOARD OF TRUSTEES) THAT EMPLOYS APPROXIMATELY 46 EMPLOYEES WORKING IN THE PROGRAM TEACHING QUALITY IMPROVEMENT METHODOLOGIES IN HEALTH CARE FACILITIES AND NUMEROUS COMMUNITY GROUPS MAIKHANDA EMPLOYS ADMINISTRATIVE, CLERICAL, PROGRAM STAFF AND DRIVERS MAIKHANDA HAS THREE LOCATIONS INCLUDING A MAIN OFFICE IN LILONGWE EMPLOYING 26 STAFF, AN OFFICE IN SALIMA EMPLOYING 9 STAFF AND AN OFFICE IN KASUNGU EMPLOYING 11 STAFF GHANA PROJECT FIVES ALIVE! WORKS TO ASSIST GHANA IN ACHIEVING MILENNIUM DEVELOPMENT GOAL 4 - REDUCING MORTALITY IN CHILDREN UNDER FIVE BY SIXTY PERCENT BY 2015 THE PROGRAM IS BEING IMPLEMENTED IN FOUR WAVES AND IS FUNDED BY THE BILL & MELINDA GATES FOUNDATION IHI WORKS IN COLLABORATION WITH THE NATIONAL CATHOLIC HEALTH SERVICE TO BUILD CAPACITY FOR CONTINUOUS IMPROVEMENT ACROSS HEALTH SYSTEMS AND TO SPREAD THE CHANGES BEING TESTED IN CURRENT PROGRAMS TO THE REST OF THE COUNTRY THE PROJECT WAS LAUNCHED IN JULY 2008 WE CURRENTLY HAVE ONE EXPATRIATE STAFF PERSON WORKING ON THE GROUND IN ACCRA, GHANA SHE WORKS OUT OF AN OFFICE PROVIDED BY ONE OF OUR PARTNERS, WORKING IN THE PROGRAM TEACHING QUALITY IMPROVEMENT METHODOLOGIES IN HEALTH CARE FACILITIES AND NUMEROUS COMMUNITY GROUPS SOUTH AFRICA IHI BEGAN ITS WORK IN SOUTH AFRICA IN 2002, WITH A FOCUS ON IMPROVING THE TREATMENT OF HIV/AIDS, AND TODAY IS WORKING IN SEVERAL REGIONS ACROSS THE COUNTRY TO IMPROVE HEALTH CARE QUALITY IN BOTH URBAN AND RURAL SETTINGS THE PROGRAMS COVER A BROAD ARRAY OF HEALTH TOPICS AND ADDRESS GAPS IN CARE THAT EXIST ACROSS DISTRICT BOUNDARIES WE CURRENTLY HAVE TWO EX PATRIOT STAFF PEOPLE AND TWO FACULTY/CONSULTANTS WORKING ON THE GROUND IN SOUTH AFRICA THE FACULTY ARE MEDICAL DOCTORS, ONE PAID DIRECTLY AS A CONSULTANT AND ONE PAID VIA THE UNIVERSITY OF NORTH CAROLINA (IHI REIMBURSES THE UNIVERSITY FOR HIS PORTION OF TIME) THEY WORK OUT OF OFFICES PROVIDED BY OUR PARTNERS OR THEIR HOMES, WORKING IN THE PROGRAM TEACHING QUALITY IMPROVEMENT METHODOLOGIES IN HEALTH CARE FACILITIES

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

Identifier	Return Reference	Explanation
PROGRAM SERVICE	PART I, LINE 2	EUROPE IHI WORKS IN EUROPE ON IMPROVING HEALTHCARE DELIVERY AND SAFETY THROUGH A VARIETY OF CONTRACTUAL RELATIONSHIPS IHI ALSO CO-SPONSORS THE INTERNATIONAL FORUM ON HEALTHCARE IMPROVEMENT HELD ANNUALLY, TYPICALLY IN A EUROPEAN LOCATION SUB-SAHARAN AFRICA OUR PROGRAMS OPERATED IN MALAWI AND GHANA WORK ON REDUCING MOTHER AND CHILD MORTALITY IN SOUTH AFRICA, OUR PROGRAM IS STRIVING TO IMPROVE THE TREATMENT OF HIV AND AIDS NORTH AMERICA IHI DELIVERS SOME PROFESSIONAL EDUCATION PROGRAMS INCLUDING THE EXECUTIVE QUALITY ACADEMY AND OFFICE PRACTICE SUMMIT SINGAPORE IHI PROVIDES COURSE FACULTY FOR THE HEALTHCARE QUALITY IMPROVEMENT CONFERENCE SPONSORED BY THE SINGAPORE MINISTRY OF HEALTH BRAZIL IHI IS WORKING WITH THE INSTITUTO QUALISA DE GESTAO (IDG) TO IMPROVE THE QUALITY AND SAFETY OF HEALTH CARE FOR THE PEOPLE OF BRAZIL

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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
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. 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) JOHNS HOPKINS601 N CAROLINE ST STE 2080 BALTIMORE,MD 21205	52-0595110	501(C)(3)	17,500				HEALTH CARE
(2) CASE WESTERN RESERVE UNIVERSITY 10900 EUCLID AVE CLEVELAND,OH 44106	34-1018992	501(C)(3)	17,500				HEALTH CARE
(3) UNIVERSITY OF COLORADO13001 E 17TH AVE AURORA,CO 80045	84-6000555	501(C)(3)	17,500				HEALTH CARE
(4) CURATORS OF THE UNIVERSITY OF MISSOURI SPONSORED PROGRAMS ADMIN 310 JESSE HALL COLUMBIA,MO 95211	43-6003859	501(C)(3)	17,500				HEALTH CARE
(5) UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER 7703 FLOYD CURL DRIVE SAN ANTONIO,TX 78229	74-1586031	501(C)(3)	17,500				HEALTH CARE
(6) THE PENNSYLVANIA STATE UNIVERSITY500 UNIVERSITY DR PO BOX 850 MAIL CODE HU15 HERSHEY,PA 17033	24-6000376	501(C)(3)	17,500				HEALTH CARE
(7) RAND CORP1776 MAIN STREET SANTA MONICA,CA 90407	95-1958142	501(C)(3)	132,640				HEALTH CARE

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 7

3 Enter total number of other organizations . . . . . ▶ 0

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☑ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ 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 orprovision 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			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ 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**	Yes	
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 accured 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
NONQUALIFIED RETIREMENT PLAN	PART I, LINE 4B	COMPENSATION PAID THROUGH AN IRC SECTION 457 PLAN HAS BEEN DISCLOSED IN SCHEDULE J FOR EACH REPORTED INDIVIDUAL DONALD BERWICK MD - $144,486 MAUREEN BISOGNANO - $114,660 BARBARA CARVER - $ 19,158 DONALD GOLDMAN MD - $ 32,527 JOANNE HEALY - $14,893 CAROL HARADEN - $ 17,129 PAT RUTHERFORD - $ 3,921 JONATHAN SMALL - $ 19,611
MANAGEMENT TEAM BENEFITS	PART I, COLUMN F	THE INSTITUTE PROVIDES CERTAIN EXECUTIVES BENEFITS UNDER ITS MANAGEMENT TEAM FLEXIBLE BENEFIT PLAN COVERED EXECUTIVES ARE PROVIDED WITH A FLEXIBLE BENEFIT ALLOWANCE WHICH CAN BE USED TO SELECT CERTAIN BENEFITS, INCLUDING A CAPITAL ACCUMULATION ACCOUNT THE CAPITAL ACCUMULATION ACCOUNTS ARE MAINTAINED BY THE INSTITUTE AND THE EXECUTIVES ARE NOT VESTED IN THEIR ACCOUNTS UNTIL THEY REACH 5 YEARS OF SERVICE THE EXECUTIVES ARE UNSECURED CREDITORS OF THE INSTITUTE FOR THE AMOUNT OF THEIR CAPITAL ACCUMULATION ACCOUNTS THIS BENEFIT PLAN IS EXAMINED IN THE COURSE OF OUR COMPENSATION REVIEW (DICTATED BY OUR COMPENSATION POLICY DESCRIBED IN SCHEDULE O), AND CONSIDERED FAIR, REASONABLE AND WITHIN THE SAFE HARBOR GUIDELINES FOR EXECUTIVE COMPENSATION BY THE ORGANIZATION IN ADDITION, OUR COMPENSATION STRUCTURE IS REVIEWED BY AN EXTERNAL COMPENSATION ADVISOR IHI STRONGLY BELIEVES THAT THE ORGANIZATION NEEDS TO MAINTAIN ADEQUATE BENEFITS NECESSARY TO RETAIN THE TALENTED TEAM REQUIRED TO ACCOMPLISH OUR MISSION OF IMPROVING HEALTHCARE WORLDWIDE
FIRST CLASS TRAVEL	PART I, LINE 1	IHI'S TRAVEL POLICY REQUIRES THAT EMPLOYEES PERSONALLY PAY FOR ANY UPGRADE TO FIRST CLASS ANY PURCHASE OF FIRST CLASS TICKETS WERE EXCEPTIONS DUE TO SPECIAL NEEDS AND APPROVED BY IHI MANAGEMENT DURING THIS TIME IHI PAID FOR A SMALL AMOUNT (LESS THAN 20) OF FIRST CLASS TRAVEL TICKETS WHEN, FOR EXAMPLE, STAFF OR FACULTY TRAVELED AT THE REQUEST OF IHI, EXCEPTIONALLY LONG DISTANCES, IN A SHORT TIMELINE AND WERE EXPECTED TO BEGIN WORKING DIRECTLY UPON ARRIVAL, TRAVELED WITH AN INJURY, AND OTHER EXTRAORDINARY CIRCUMSTANCES

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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
INSTITUTE FOR HEALTHCARE IMPROVEMENT

Employer identification number
38-3017223

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	PART III, LINE 1	THE INSTITUTE FOR HEALTHCARE IMPROVEMENT (THE INSTITUTE) IS AN INDEPENDENT NOT-FOR-PROFIT ORGANIZATION LEADING THE IMPROVEMENT OF HEALTH CARE THROUGHOUT THE WORLD FOUNDED IN 1991 AND BASED IN CAMBRIDGE, MA, THE INSTITUTE WORKS TO ACCELERATE IMPROVEMENT BY BUILDING THE WILL FOR CHANGE, CULTIVATING PROMISING CONCEPTS FOR IMPROVING PATIENT CARE, AND HELPING HEALTH SYSTEMS PUT THOSE IDEAS INTO ACTION IHI'S ACTIVITIES PROVIDE IMPORTANT BENEFITS TO THE COMMUNITY, INCLUDING - PROFESSIONAL EDUCATION PROGRAMS TO HELP HEALTH PROFESSIONS STUDENTS LEARN QUALITY IMPROVEMENT KNOWLEDGE AND SKILLS - SCHOLARSHIPS TO IHI PROGRAMS THE ORGANIZATION PROVIDES $1-$2 MILLION IN SCHOLARSHIPS ANNUALLY - NATIONAL CAMPAIGNS TO IMPROVE HEALTHCARE, SUCH AS THE 5 MILLION LIVES CAMPAIGN - WORK IN DEVELOPING COUNTRIES, SUCH AS SOUTH AFRICA - RESEARCH AND DEVELOPMENT ACTIVITIES DESIGNED TO CULTIVATE INNOVATIVE, PROMISING IDEAS FOR HEALTH CARE IMPROVEMENT - IHI'S WEBSITE, WWW IHI ORG, A FREE GLOBAL RESOURCE FOR HEALTHCARE IMPROVEMENT KNOWLEDGE - PUBLICATIONS, SUCH AS IHI'S INNOVATION SERIES WHITE PAPERS, WHICH DOCUMENT AND DISSEMINATE THE ORGANIZATION'S INNOVATION WORK QUICKLY AND WIDELY THOUSANDS OF HEALTH CARE PROVIDERS PARTICIPATE IN IHI'S GROUNDBREAKING WORK THIS INCLUDES QUALITY IMPROVEMENT LEADERS FROM THE VAST MAJORITY OF U S HOSPITALS, AS WELL AS MANY LEADERS FROM MEDICAL PRACTICES AROUND THE WORLD

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	PART III, LINE 4A-D	LINE 4A EXPENSE = $6,754,283 REVENUE = $4,572,123 GRANTS = $3,086,255 DEVELOPING COUNTRIES IHI'S WORK IN DEVELOPING COUNTRIES FOCUSES ON WORKING WITHIN EXISTING RESOURCE CONSTRAINTS TO IMPROVE HEALTHCARE SYSTEMS AND HEALTH OUTCOMES BY PARTNERING WITH LOCAL ORGANIZATIONS AND GOVERNMENTS, IHI FOCUSES ON CREATING SUSTAINABLE CHANGE THAT WILL BE CARRIED FORTH BY THESE PARTNER ORGANIZATIONS IHI'S WORK IN SOUTH AFRICA FOCUSES ON EXPANDING TREATMENT OF HIV/AIDS FOR CHILDREN AND ADULTS, AS WELL AS PREVENTING MOTHER TO CHILD TRANSMISSION OF DISEASE IHI'S WORK IN MALAWI AIMS TO REDUCE MATERNAL AND NEONATAL DEATHS BY IMPROVING THE QUALITY OF SERVICES IN HEALTH FACILITIES WHILE INCREASING COMMUNITY DEMAND FOR GOOD HEALTHCARE IHI'S WORK IN GHANA AIMS TO REDUCE MORBIDITY AND MORTALITY IN CHILDREN UNDER FIVE ALONG WITH NATIONAL CATHOLIC HEALTH SERVICE, IHI INITIATED PROJECT FIVE ALIVE!, WHICH WILL ULTIMATELY REACH AN ESTIMATED 3 3 MILLION CHILDREN UNDER 5 AND AIMS TO IMPLEMENT EFFECTIVE SYSTEMS TO TREAT AND PREVENT NEONATAL DISEASES, MALARIA, DIARRHEAL DISEASES, PNEUMONIA AND MALNUTRITION IHI'S EFFORTS IN THESE COUNTRIES HAVE RESULTED IN SIGNIFICANT IMPROVEMENTS TO HEALTHCARE SYSTEMS WITHIN THE EXISTING CARE RESOURCES LINE 4B EXPENSE = $5,104,230 REVENUE = $8,651,270 COURSES AND OTHER PROGRAMS THE INSTITUTE OFFERS PROFESSIONAL DEVELOPMENT PROGRAMS AND SHORTER TWO DAY SEMINARS TO HELP HEALTHCARE LEADERS AND PROVIDER ACQUIRE IMPORVMENT KNOWLEDGE AND SKILLS IHI HAS TRAINED THOUSANDS OF HEALTHCARE PERSONNEL IN CRITICAL KNOWLEDGE AND ESSENTIAL SKILLS NECESSARY TO MAKE CONTINUOUS IMPROVEMENTS IN HEALTHCARE DELIVERY LINE 4C EXPENSE = $4,341,611 REVENUE = $3,891,416 GRANTS = $238,575 GRANTS THE ORGANIZATION RECEIVED AND EXPENDED FUNDS FOR A VARIETY OF PURPOSES IN THE PURSUIT OF ITS MISSION THESE INCLUDED PROGRAMS TO PROVIDE PATIENT SELF-MANAGEMENT SKILLS, IMPROVE CARE AT THE BEDSIDE, DISSEMINATE MEDICAL BEST PRACTICES, IMPROVE CHRONIC CARE, AND REDUCE UNNECESSARY HOSPITALIZATIONS THESE EFFORTS CONTRIBUTE TO IHI'S GROWING KNOWLEDGE OF OPTIMAL SYSTEM DESIGNS THAT CAN DRAMATICALLY IMPROVE PATIENT CARE LINE 4D EXPENSE = $5,736,105 REVENUE = $12,457,837 STATEGIC PARTNERS AND CONTRACTS ON A CONTRACTUAL BASE, THE INSTITUTE DELIVERS A VARIETY OF CUSTOMIZED SUPPORT SERVICES TO HELP HEALTHCARE SYSTEMS ACHIEVE SYSTEMWIDE IMPROVEMENT FOR EXAMPLE, IHI'S WORK WITH THE NATIONAL HEALTH SERVICE IN THE UK HAS HELPED TO TRANSFORM THE QUALITY AND EFFICIENCY OF CARE PROVIDED THROUGHOUT THE COUNTRY EXPENSE = $4,058,998 REVENUE = $7,766,808 NATIONAL FORUM THE INSTITUTE'S NATIONAL FORUM ON QUALITY IMPROVEMENT IN HEALTH CARE, HELD EACH DECEMBER, IS THE MAJOR U S CONFERENCE ON IMPROVEMENT IN HEALTH CARE APPROXIMATELY 6,500 PARTICIPANTS ATTEND HUNDREDS OF WORKSHOPS AND SPECIAL INTEREST MEETINGS A SECOND EUROPEAN-BASED CONFERENCE, THE INTERNATIONAL FORUM ON QUALITY AND SAFETY IN HEALTH CARE, IS JOINTLY ORGANIZED BY THE INSTITUTE AND THE BRITISH MEDICAL JOURNAL PUBLISHING GROUP EXPENSE = $1,228,021 REVENUE = $1,613,332 IMPACT IS THE INSTITUTE'S MEMBERSHIP NETWORK WHERE PIONEERING HEALTH CARE ORGANIZATIONS WORK COLLABORATIVELY WITH THE SUPPORT OF THE INSTITUTE'S FACULTY TO ACHIEVE DRAMATIC, UNPRECEDENTED IMPROVEMENT RESULTS IN CLINICAL OUTCOMES, FINANCIAL PERFORMANCE, AND PATIENT AND PROVIDER SATISFACTION EXPENSE = $1,436,358 INNOVATION AT THE CENTER OF THE INSTITUTE'S WORK IS THE CREATION AND TESTING OF NEW IDEAS - NOVEL CONCEPTS FOR IMPROVING PATIENT CARE HERE, THE INSTITUTE WORKS INTENSELY WITH CUTTING-EDGE ORGANIZATIONS TO TEST AND PROTOTYPE UNIQUE MODELS AND NEW SOLUTIONS TO OLD PROBLEMS THIS IS THE INSTITUTE'S RESEARCH AND DEVELOPMENT FUNCTION, THE INNOVATION ENGINE THAT FUELS ALL OF THE INSTITUTE'S WORK EXPENSE = $1,048,394 REVENUE = $1,428,786 IMPROVEMENT MAP THE IHI IMPROVEMENT MAP IS AN INTERACTIVE, WEB-BASED TOOL DESIGNED TO BRING TOGETHER THE BEST KNOWLEDGE AVAILABLE ON THE KEY PROCESS IMPROVEMENTS THAT LEAD TO EXCEPTIONAL PATIENT CARE IT OFFERS CLEAR GUIDANCE THROUGH AN OFTEN CONFUSING HEALTH CARE LANDSCAPE, HELPING HOSPITALS SET CHANGE AGENDAS, ESTABLISH PRIORITIES, ORGANIZE WORK, AND OPTIMIZE RESOURCES

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	PART VI, SECTION A, LINE 11A	THE MAJORITY OF SUPPORT SCHEDULES FOR THE FORM 990 SHOULD BE PREPARED DURING THE ANNUAL AUDIT PREPARATION PROCESS IN THE MAY-JUNE TIMEFRAME THE REMAINING ITEMS SHOULD BE COMPLETED BY 7/31 OF EACH FISCAL YEAR THE FORM 990 IS DUE FIVE MONTHS AFTER THE CLOSE OF THE FISCAL YEAR, WHICH FOR IHI IS SEPTEMBER 15TH (WITH A APRIL 30TH FISCAL YEAR END) ALL 990 EXTENSIONS ARE FILED BY KPMG (OR OUR CURRENT OUTSIDE INDEPENDENT AUDIT FIRM)AND A COPY IS MAINTAINED BY IHI TWO EXTENSIONS ARE ALLOWED AND THEY EACH PROVIDE FOR AN ADDITIONAL THREE MONTHS EXTENSION THUS, THE MAXIMUM EXTENSION PERIOD ALLOWED ANNUALLY IS SIX MONTHS FROM THE ORIGINAL DUE DATE THE FILING DATES ARE AS FOLLOWS SEPTEMBER 15TH , IF EXTENSION IS FILED BY 9/15 THEN THE NEXT FILING DATE IS DECEMBER 15TH IF THE SECOND EXTENSION (AND LAST POSSIBLE EXTENSION) IS FILED BY 12/15 THEN THE FINAL FILING DATE IS MARCH 15TH THE MAJORITY OF SCHEDULES ARE PREPARED BY THE SENIOR STAFF ACCOUNTANT AND REVIEWED BY THE CONTROLLER PLEASE REFER TO THE DETAILED PREPARED BY CLIENT LIST AND FORM 990 ITEMIZED WORK PLAN ON THE RNET THE CONTROLLER PREPARES THE FINANCIAL STATEMENT RECONCILIATION TO THE FORM 990 FINANCIAL SECTION OF THE FORM THIS IS REVIEWED BY THE CFO UPDATES TO POLICIES APPLICABLE TO THE FORM 990 ARE PERFORMED THROUGHOUT THE YEAR AND REVIEWED BY EITHER THE CFO OR INTERNAL AUDITOR (DEPENDING ON THE PERSON THAT AUTHORS THE EDIT) CERTAIN POLICY UPDATES ARE REVIEWED BY THE STRATEGY TEAM OR THE AUDIT COMMITTEE FOR THEIR APPROVAL AFTER THE REVIEW PROCESS, ALL SUPPORTING DOCUMENTATION AND WORK PAPERS ARE SENT TO KPMG WHO PRODUCE THE DRAFT FORM 990 THE DRAFT FORM 990 IS REVIEWED AND TIED BACK TO SUPPORTING DOCUMENTATION AND WORK PAPERS (INCLUDING THE AUDITED FINANCIAL STATEMENTS AND TRIAL BALANCE) BY THE CONTROLLER ANY ADJUSTMENTS ARE DISCUSSED AND THEN PROCESSED (AS NEEDED) WITH KPMG THE NEXT DRAFT IS REVIEWED BY THE CONTROLLER AND CFO AGAIN, ANY ADJUSTMENTS ARE DISCUSSED AND THEN PROCESSED (AS NEEDED) WITH KPMG THE FINAL DRAFT IS ALSO REVIEWED BY THE INTERNAL AUDITOR AFTER THE DRAFT IS READY TO BE REVIEWED, IT IS SENT TO THE AUDIT COMMITTEE BEFORE THE LATE NOVEMBER/DECEMBER MEETING (IDEALLY) AFTER ALL QUESTIONS AND ADJUSTMENTS (IF ANY) ARE RESOLVED THE AUDIT COMMITTEE APPROVES THE FORM 990 TO BE PRESENTED TO THE FULL BOARD OF DIRECTORS THE CFO AND AUDIT COMMITTEE CHAIR REVIEW THE FORM 990 WITH THE ENTIRE BOARD AND REQUEST BOARD APPROVAL THE FULL BOARD MUST VOTE TO APPROVE THE FORM 990 BEFORE IT IS FILED BY KPMG WITH THE IRS

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

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

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

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

Identifier	Return Reference	Explanation
JOINT VENTURE	PART VI, SECTION B, LINE 16A AND 16B	POLICY ON BUSINESS RELATIONSHIPS - COMMERCIAL CO-VENTURES, PARTNERSHIPS, ETC APRIL 2009 P OLICY THIS POLICY REQUIRES THE ORGANIZATION TO EVALUATE ITS PARTICIPATION IN JOINT VENTUR ES AND OTHER ARRANGEMENTS UNDER APPLICABLE FEDERAL TAX LAW, AND TAKE STEPS TO SAFEGUARD TH E ORGANIZATION'S EXEMPT STATUS WITH RESPECT TO SUCH ARRANGEMENTS PRIOR TO ENTERING INTO A NY POTENTIAL BUSINESS RELATIONS, IHI REQUIRES THAT ALL RELATIONSHIPS GO THOROUGH A VETTING PROCESS THAT INCLUDES A THOROUGH REVIEW BY OUR NEW BUSINESS TEAM WHICH INCLUDES REPRESENT ATIVES THROUGHOUT THE ORGANIZATION INCLUDING BUSINESS DEVELOPMENT, MARKETING, FINANCE, RES OURCES AND THE EXECUTIVE TEAM DURING THE VETTING PROCESS, RELATIONSHIPS THAT MAY CONSTITU TE CO-VENTURES, PARTNERSHIPS, ETC NEED TO BE REVIEWED WITH OUR ATTORNEYS (GOULSTON AND ST ORRS) AND OUR AUDIT AND TAX FIRM (KPMG) OUR SENIOR VICE PRESIDENT, BARBARA CARVER, MANAGE S THE RELATIONSHIP WITH OUR LEGAL TEAM, AND OUR CHIEF FINANCIAL OFFICER, AMY HOSFORD-SWAN, MANAGES OUR RELATIONSHIP WITH OUR AUDIT FIRM BEFORE PROCEEDING WITH ENTERING INTO ANY NE W AGREEMENTS THAT WOULD CONSTITUTE A CO-VENTURE, OR PARTNERSHIP, OR ARRANGEMENT THAT COULD AFFECT OUR EXEMPT STATUS, BOTH LEGAL AND AUDIT/TAX CONCLUSIONS ARE PRESENTED TO THE NEW B USINESS TEAM FOR REVIEW AND APPROVAL WHEN APPROPRIATE THE CHIEF OPERATING OFFICER AND EXE CUTIVE VICE PRESIDENT MAY REQUEST THAT THE RELATIONSHIP/AGREEMENT BE PRESENTED TO AND APPR OVED BY THE EXECUTIVE COMMITTEE OF THE BOARD AND OR THE ENTIRE BOARD BEFORE PROCEEDING DE FINITIONS COMMERCIAL CO-VENTURE - AN ARRANGEMENT BETWEEN A CHARITABLE OR NONPROFIT ORGANI ZATION AND A FIRM OTHERWISE ENGAGED IN BUSINESS, WHERE A PRODUCT, SERVICE OR EVENT IS PROM OTED BY THE COMMERCIAL BUSINESS ON THE REPRESENTATION THAT SOME PART OF THE PROCEEDS WILL BENEFIT THE CHARITABLE ORGANIZATION THE LAWS INVOLVING COMMERCIAL CO-VENTURES ARE COMPLEX AND STILL EMERGING AT BOTH THE FEDERAL AND STATE LEVELS A FEW STATES REQUIRE REGISTRATIO N IN OTHERS, THE CONTRACT BETWEEN THE ORGANIZATION AND THE COMMERCIAL CO-VENTURER IS REQU IRED TO CONTAIN A NUMBER OF PROVISIONS AND, IN SOME STATES, THE CONTRACT HAS TO BE FILED PARTNERSHIP - A CONTRACTUAL ARRANGEMENT MAY CREATE A PARTNERSHIP FOR FEDERAL INCOME TAX PU RPOSES IF THE PARTIES CARRY ON A TRADE, BUSINESS OR OTHER VENTURE AND DIVIDE THE PROFITS A RISING FROM SUCH ACTIVITIES CHARITABLE STATUS AND JOINT VENTURE STRUCTURE BELOW ARE SOME OF THE OPERATIONAL AND ORGANIZATIONAL REQUIREMENTS IMPOSED ON JOINT VENTURES BETWEEN TAX-E XEMPT ORGANIZATIONS AND FOR-PROFIT ORGANIZATIONS AND OTHER LEGAL CONCERNS IN ORDER TO PROT ECT IHI'S TAX-EXEMPT STATUS THESE REPRESENT ONLY A PORTION OF THE LEGAL AND TAX REQUIREME NTS AND ALL INDIVIDUAL AGREEMENTS NEED TO BE REVIEW BY COUNSEL AS WELL AS AUDIT AND TAX ST AFF (AS REFERENCED ABOVE) THESE REQUIREMENTS AND CONCERNS INCLUDE THE FOLLOWING 1 IHI N EEDS EITHER TO CONTROL ANY GOVERNING BOARD RELATED TO THE RELATIONSHIP OR, AT THE MINIMUM, TO CONTROL ANY ACTION TAKEN OR DECISION MADE BY THE BOARD IN CONNECTION WITH IHI'S CHARIT ABLE MISSION TO ENSURE THAT THE ACTION OR DECISION FURTHERS IHI'S EXEMPT PURPOSE UNDER SEC TION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") FOR EXAMPLE, IHI SHOULD HAVE APPROVAL OVER CONTENT OF ANY EVENT OR CONFERENCE TO ENABLE IT TO ENSURE T HAT IT IS CONSISTENT WITH IHI'S EXEMPT PURPOSES 2 IHI SHOULD BE ABLE TO TERMINATE THE AG REEMENT IF IT MAKES A DETERMINATION IN GOOD FAITH THAT THE OPERATION OF THE FORUM IS INCON SISTENT WITH THE FURTHERANCE OF ITS EXEMPT PURPOSE UNDER SECTION 501(C)(3) OF THE CODE 3 THE SHARING OF REVENUES, LOSSES AND TAX ITEMS SHOULD BE IN PROPORTION WITH OWNERSHIP INTE RESTS ADDITIONALLY, THE AGREEMENT SHOULD SPECIFY WHETHER TAX ITEMS TO BE SHARED EQUALLY A RE DETERMINED UNDER U S OR THE COUNTRY OF ORIGIN (OF THE OTHER ENTITY) TAX PRINCIPLES 4 THE PARTIES SHOULD ASSIGN SOME VALUE TO THEIR CONTRIBUTIONS TO THE AGREEMENT IN ORDER TO SUPPORT THEIR RESPECTIVE OWNERSHIP INTERESTS 5 THE AGREEMENT SHOULD SPECIFY HOW OFTEN DI STRIBUTIONS SHOULD BE MADE TO THE PARTIES AND WHETHER THERE WILL BE ANY DISTRIBUTIONS FOR THE PURPOSE OF PAYING TAX ON THE INCOME FROM THE AGREEMENT, IF ANY 6 ANY COMPENSATION AR RANGEMENT, LEASES, SERVICE PROVIDER AGREEMENT OR ANY OTHER TYPE OF OBLIGATION OF THE AGREE MENT MUST BE REASONABLE AND REFLECT THE FAIR MARKET VALUE OF WHAT IS BEING PROVIDED UBTI/ OTHER POTENTIAL TAX LIABILITY 1 ALL INCOME ARISING FROM ACTIVITIES NOT SUBSTANTIALLY RELA TED TO IHI'S CHARITABLE MISSION (E G ADVERTISING INCOME) WILL BE UBTI TO IHI IHI'S ORGAN IZING DOCUMENTS AND APPLICATION FOR EXEMPTION (FORM 1023) SHOULD BE REVIEWED TO DETERMINE WHETHER INCOME FROM AN OWNERSHIP INTEREST IN THE FORUM (OTHER THAN ADVERTISING INCOME) IS UBTI AS A JOINT VENTURE/PARTNERSHIP, IHI MAY RECEIVE INCOME FROM SOURCES OUTSIDE THE U S , I E , REVENUE FROM CONFERENCE FEES OR ADMISSIONS THIS MEANS THAT EVEN THOUGH IHI WOULD BE EXEMPT FROM U S TAX ON THE INCOME, IF ANY, IT

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

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

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	PART XI, LINE 5	UNREALIZED GAINS $5,352,332

Additional Data

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

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

(A) Name and Title	(B) Average hours per week	(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			
JAMES ANDERSON DIRECTOR	1.0	X						0	0	0
LINDA R CRONENWETT DIRECTOR	1.0	X						0	0	0
A BLANTON GODFREY PHD CHAIR	1.0	X						0	0	0
RUBY HEARN PHD DIRECTOR	1.0	X						0	0	0
GARY S KAPLAN MD DIRECTOR	1.0	X						0	0	0
DENNIS S OLEARY MD DIRECTOR	1.0	X						0	0	0
ROBERT WALLER MD DIRECTOR	1.0	X						0	0	0
DIANA CHAPMAN WALSH VICE CHAIR	1.0	X						0	0	0
RUDOLPH PIERCE ESQ DIRECTOR	1.0	X						0	0	0
BRENT JAMES MD DIRECTOR	1.0	X						0	0	0
MICHAEL DOWLING DIRECTOR	1.0	X						0	0	0
PAUL BATALDEN MD DIRECTOR	1.0	X						0	0	0
DONALD BERWICK MD MPP FRCP PRESIDENT/CEO - '10	40.0			X				515,453	0	14,512
MAUREEN BISOGNANO PRESIDENT/CEO	40.0			X				539,396	0	18,226
BARBARA CARVER SENIOR VP	40.0			X				319,882	0	11,880
DONALD GOLDMANN MD SENIOR VP	40.0			X				305,682	0	18,393
JAMES CONWAY MS SENIOR VP	40.0			X				94,005	0	45,363
JOANNE HEALY SENIOR VP	40.0			X				231,552	0	11,804
AMY HOSFORD-SWAN CHIEF FINANCIAL OFFICER	40.0			X				196,611	0	29,962
KAREN BOUDREAU SENIOR VP	40.0			X				143,359	0	24,417
JEFFREY SELBERG EXECUTIVE VP/ COO	40.0			X				146,630	0	16,481
PIERRE BARKER SENIOR VP	40.0			X				51,866	0	7,843
CAROL BEASLEY DIRECTOR OF STRATEGIC PROJECT	40.0				X			157,279	0	10,242
PAUL HAMNETT VICE PRESIDENT ENGINEERING	40.0				X			184,200	0	31,461
CAROL HARADEN VICE PRESIDENT	40.0				X			280,894	0	11,747

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			
ANDREA KABCENELL VICE PRESIDENT	40.0				X			179,611	0	38,548
ROBERT LLOYD EXEC DIR PERFORMANCE IMPROV	40.0				X			193,175	0	17,656
JANE ROESSNER LEAD WRITER	40.0				X			174,003	0	13,274
PATRICIA RUTHERFORD VICE PRESIDENT	40.0				X			179,553	0	10,027
JONATHAN SMALL VICE PRESIDENT MARKETING	40.0				X			167,759	0	17,034
FRANK FEDERICO DIRECTOR STRATEGIC PARTNERS	40.0				X			152,488	0	16,964
NANA TWUM-DANSO DIRECTOR-DEVELOPING COUNTRIES	40.0				X			163,679	0	8,519
CYNTHIA HUPKE DIRECTOR	40.0					X		136,373	0	14,907
HEATHER LATTANZIO DIRECTOR OF ENGINEERING	40.0					X		137,965	0	7,316
SUSAN LEAVITT GULLO MANAGING DIRECTOR	40.0					X		133,660	0	6,293
MARIE SCHALL DIRECTOR	40.0					X		123,059	0	18,925
PARRY GARETH RESEARCH SCIENTIST	40.0					X		116,769	0	16,598

Additional Data

Return to Form

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DONALD BERWICK MD MPP FRCP	(I)	264,490	91,728	159,235	2,653	11,859	529,965	144,486
	(II)	0	0	0	0	0	0	0
MAUREEN BISOGNANO	(I)	345,814	54,600	138,982	4,050	14,176	557,622	114,660
	(II)	0	0	0	0	0	0	0
BARBARA CARVER	(I)	252,592	15,000	52,290	4,050	7,830	331,762	19,158
	(II)	0	0	0	0	0	0	0
DONALD GOLDMANN MD	(I)	231,113	15,000	59,569	4,050	14,343	324,075	32,527
	(II)	0	0	0	0	0	0	0
JOANNE HEALY	(I)	184,518	15,000	32,034	3,225	8,579	243,356	14,893
	(II)	0	0	0	0	0	0	0
AMY HOSFORD-SWAN	(I)	164,709	15,000	16,902	25,716	4,246	226,573	0
	(II)	0	0	0	0	0	0	0
CYNTHIA HUPKE	(I)	131,627	3,000	1,746	0	14,907	151,280	0
	(II)	0	0	0	0	0	0	0
CAROL BEASLEY	(I)	130,902	3,000	23,377	4,050	6,192	167,521	0
	(II)	0	0	0	0	0	0	0
PAUL HAMNETT	(I)	139,049	15,000	30,151	24,383	7,078	215,661	0
	(II)	0	0	0	0	0	0	0
CAROL HARADEN	(I)	146,122	15,000	119,772	3,991	7,756	292,641	17,129
	(II)	0	0	0	0	0	0	0
ANDREA KABCENELL	(I)	130,335	15,000	34,276	23,330	15,218	218,159	0
	(II)	0	0	0	0	0	0	0
ROBERT LLOYD	(I)	171,689	6,000	15,486	1,725	15,931	210,831	0
	(II)	0	0	0	0	0	0	0
JANE ROESSNER	(I)	146,658	3,000	24,345	4,050	9,224	187,277	0
	(II)	0	0	0	0	0	0	0
PATRICIA RUTHERFORD	(I)	146,466	15,000	18,087	2,550	7,477	189,580	3,921
	(II)	0	0	0	0	0	0	0
JONATHAN SMALL	(I)	124,231	15,000	28,528	1,233	15,801	184,793	19,611
	(II)	0	0	0	0	0	0	0
FRANK FEDERICO	(I)	124,223	15,000	13,265	1,802	15,162	169,452	0
	(II)	0	0	0	0	0	0	0
NANA TWUM-DANSO	(I)	138,712	3,000	21,967	2,204	6,315	172,198	0
	(II)	0	0	0	0	0	0	0
KAREN BOUDREAU	(I)	111,765	25,000	6,594	14,829	9,588	167,776	0
	(II)	0	0	0	0	0	0	0
JEFFREY SELBERG	(I)	122,545	0	24,085	14,600	1,881	163,111	0
	(II)	0	0	0	0	0	0	0