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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)	OMB No 1545-0047 2012 Open to Public Inspection
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization NATIONAL FEDERATION OF INDEPENDENT BUSINESS INC		D Employer identification number 94-0707299
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 53 CENTURY BOULEVARD Suite 250	Room/suite	E Telephone number (615) 872-5800
	City or town, state or country, and ZIP + 4 NASHVILLE, TN 372143682		
			G Gross receipts \$ 112,225,672
F Name and address of principal officer DONALD A DANNER 1201 F ST NW SUITE 200 WASHINGTON, DC 20004		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)	
I Tax-exempt status ☐ 501(c)(3) ☒ 501(c) (6) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.NFIB.COM			

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ☐ **L** Year of formation 1949 **M** State of legal domicile CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities NATIONAL FEDERATION OF INDEPENDENT BUSINESS' MISSION IS TO PROMOTE AND PROTECT THE RIGHTS OF ITS MEMBERS TO OWN, OPERATE AND GROW THEIR BUSINESSES			
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3	Number of voting members of the governing body (Part VI, line 1a)	14	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13	
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	1,132	
Activities & Governance	6	Total number of volunteers (estimate if necessary)	0	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	2,715,041	
	7b	Net unrelated business taxable income from Form 990-T, line 34	509,833	
Revenue	8	Contributions and grants (Part VIII, line 1h)	7,328,212	8,996,525
	9	Program service revenue (Part VIII, line 2g)	82,926,006	86,461,001
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,420,513	2,094,525
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,675,324	5,493,445
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	95,350,055	103,045,496
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,069,644	1,168,807
	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)	62,453,472	69,843,369
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	1,625,150	1,636,720
	b	Total fundraising expenses (Part IX, column (D), line 25) ☐ 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	25,401,093	27,698,695
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	90,549,359	100,347,591
	19	Revenue less expenses Subtract line 18 from line 12	4,800,696	2,697,905
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	39,488,068	43,169,009
	21	Total liabilities (Part X, line 26)	90,094,178	90,943,940
	22	Net assets or fund balances Subtract line 21 from line 20	-50,606,110	-47,774,931

Part II Signature Block

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

Sign Here	***** Signature of officer				2013-05-13 Date	
	JEFF SMITH TREASURER Type or print name and title					
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date 2013-05-13	Check ☐ if self-employed PTIN
	Firm's name  KPMG LLP				Firm's EIN 	
	Firm's address  401 Commerce Street Suite 1000 Nashville, TN 37219				Phone no (615) 244-1602	

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

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

The purposes for which this corporation is organized are 1 To promote the economic, financial and political welfare of its members, to elevate the prestige and standing of the independent small business men in his community, to organize the independent or small business men into an association to the end that his voice may be heard effectively in local, state, and national affairs affecting small business 2 To preserve, protect, promote and develop the American system of private enterprise by promoting and developing laws and regulations helpful and beneficial to, and for the preservation of, small business 3 To conduct polls among its members on matters of importance concerning and affecting small business and its problems, and to collect, compile and disseminate information over the air and through the press relating thereto to its members and the general public 4 To expose and resist corruption in government and to secure honesty, efficiency and economy in national, state, a

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

NFIB IS A NONPARTISAN ADVOCACY ORGANIZATION THAT REPRESENTS SEVERAL HUNDRED THOUSAND SMALL AND INDEPENDENT BUSINESSES IN ALL FIFTY STATES. NFIB LOBBIES ON BEHALF OF SMALL AND INDEPENDENT BUSINESS AT THE FEDERAL LEVEL AND IN ALL FIFTY STATES THROUGH ITS COMMUNICATION ACTIVITIES, NFIB ALSO PROVIDES ITS MEMBERS, ELECTED OFFICIALS, NEWS MEDIA AND THE GENERAL POPULATION WITH INFORMATION REGARDING THE IMPORTANCE OF SMALL AND INDEPENDENT BUSINESS AND THE VALUE OF THE FREE ENTERPRISE SYSTEM.

[illegible][illegible]

4e Total program service expenses ▶

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	No
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	Yes
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	Yes
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	
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	Yes
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	Yes
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	Yes
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	Yes
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	Yes
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b	Yes
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	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	Yes
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	145
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	1,132
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ 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 as charitable contributions?	6a	Yes
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	Yes
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	
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	
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	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
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	14	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	13	
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	Yes
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	CA , FL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	JEFF SMITH 53 CENTURY BLVD SUITE 250 NASHVILLE, TN (615) 872-5800

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 Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVID M GUERNSEY Chairman	1 0 1 0	X						34,000	0	203
(2) TIM CLAYTON Director	1 0 1 0	X						17,200	0	203
(3) RUTH LOPEZ NOVODOR Director	1 0 1 0	X						16,200	0	203
(4) A JUNE LENNON Director	1 0 1 0	X						22,000	0	135
(5) THOMAS MICHAEL NOBIS Director	1 0 1 0	X						22,000	0	203
(6) MARIA COAKLEY DAVID Director	1 0 1 0	X						22,000	0	203
(7) NEVIN GROCE Director	1 0 1 0	X						22,000	0	203
(8) BETTY NEIGHBORS Director	1 0 1 0	X						17,751	0	203
(9) KURT SUMMERS Director	1 0 1 0	X						22,297	0	203
(10) JAMES HERR Director	1 0 1 0	X						17,200	0	203
(11) BRUCE O'DONOGHUE Director	1 0 1 0	X						17,200	0	203
(12) STEVE SCHRAMM Director	1 0 1 0	X						17,200	0	203
(13) JEFF READY Director	1 0 1 0	X						17,200	0	203
(14) DONALD A DANNER President/CEO	36 0 4 0	X		X				750,626	0	29,789
(15) MARY BLASINSKY SVP/Secretary	36 0 4 0			X				308,784	0	33,767
(16) TAMMY S BOEHMS SVP/CFO	36 0 4 0			X				393,353	0	23,429
(17) JEFF SMITH Treasurer	36 0 4 0			X				184,138	0	17,936

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) JOHN CASELLA SVP Sales	40 0 0 0				X			362,346	0	36,757
(19) SUSAN M ECKERLY SVP Public Policy	37 0 3 0				X			326,872	0	30,024
(20) STEPHEN WOODS SVP State Public Policy	40 0 0 0				X			337,564	0	33,013
(21) MARK GARZONE SVP Marketing	40 0 0 0					X		353,940	0	39,165
(22) JEAN CARD VP Media & Communications	40 0 0 0					X		273,698	0	27,095
(23) MARK MOFFITT Field Sales Rep	40 0 0 0					X		268,115	0	21,236
(24) BEVERLY SHEA VP Development	40 0 0 0					X		266,459	0	25,092
(25) PAMELA CONNOR VP Human Resources	40 0 0 0					X		266,015	0	37,630
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								4,356,158	0	357,504

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶162

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

Section B. Independent Contractors

1

Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
BRABENDERCOX LLC , 1218 GRANDVIEW AVE PITTSBURGH PA 15211	ADVERTISING	1,637,723
IMAGINATION PUBLISHING LLC , 600 W FULTON ST STE 600 CHICAGO IL 60661	PUBLISHING	1,620,814
NATIONAL CAPITAL TELESERVICES LLC , 300 5TH STREET NE WASHINGTON DC 20002	TELEMARKETING	1,605,889
TARGET ENTERPRISES , 15260 VENTURA BLVD STE 1240 SHERMAN OAKS CA 91403	ADVERTISING	1,378,292
CHERNOFF NEWMAN , 1411 GERVAIS ST 5TH FLOOR COLUMBIA SC 29201	ADV/MARKETING	898,502
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶23	

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	472,747			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	8,523,778			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		8,996,525			
Program Service Revenue	2a	MEMBERSHIP DUES	Business Code 541900	86,373,071	86,373,071		
	b	REGISTRATION FEE	541990	87,930	87,930		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		86,461,001			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		756,730		31,570
4		Income from investment of tax-exempt bond proceeds . .		0			
5		Royalties		2,273,040			2,273,040
6a		Gross rents		(i) Real 378,366	(ii) Personal		
		b	Less rental expenses	104,441			
		c	Rental income or (loss)	273,925	0		
		d	Net rental income or (loss)		273,925		
7a		Gross amount from sales of assets other than inventory		(i) Securities 10,413,530	(ii) Other		
		b	Less cost or other basis and sales expenses	9,069,516	6,219		
		c	Gain or (loss)	1,344,014	-6,219		
		d	Net gain or (loss)		1,337,795	0	0
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . .					
		a					
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . .		0			
9a		Gross income from gaming activities See Part IV, line 19					
		a					
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . .		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	AFFILIATE MANAGEMENT INCOME		541900	1,581,138		1,581,138	
b	SPONSORSHIP INCOME		541800	238,023	238,023		
c	PERIODICAL ADVERTISING INCOME		541800	904,589		904,589	
d	All other revenue			222,730	24,986	197,744	
e	Total. Add lines 11a-11d			2,946,480			
12	Total revenue. See Instructions			103,045,496	86,724,010	2,715,041	4,609,920

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	1,168,807			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	3,135,217			
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.	51,598,592			
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	4,691,381			
9	Other employee benefits.	6,444,926			
10	Payroll taxes.	3,973,253			
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	258,124			
c	Accounting.	110,627			
d	Lobbying.	908,250			
e	Professional fundraising services. See Part IV, line 17.	1,636,720			
f	Investment management fees.	240,826			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	6,486,083			
12	Advertising and promotion.	3,245,610			
13	Office expenses.	5,129,326			
14	Information technology.	2,035,577			
15	Royalties.	0			
16	Occupancy.	3,141,546			
17	Travel.	3,553,533			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	708,669			
20	Interest.	21,601			
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	1,507,813			
23	Insurance.	144,778			
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O).				
a	UNRELATED BUS. INC. TAXES	206,332			
b					
c					
d					
e	All other expenses.				
25	Total functional expenses. Add lines 1 through 24e.	100,347,591			
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		4,111,245	1	3,905,736
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		437,813	4	1,659,311
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		1,500,000	7	0
	8	Inventories for sale or use		101,628	8	97,998
	9	Prepaid expenses and deferred charges		1,098,407	9	922,318
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a16,778,204			
	b	Less accumulated depreciation	10b10,473,797	7,201,169	10c	6,304,407
	11	Investments—publicly traded securities		24,066,301	11	27,332,728
	12	Investments—other securities See Part IV, line 11		10,889	12	3,940
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		960,616	15	2,942,571
	16	Total assets. Add lines 1 through 15 (must equal line 34)		39,488,068	16	43,169,009
Liabilities	17	Accounts payable and accrued expenses		70,471,293	17	71,393,688
	18	Grants payable		0	18	0
	19	Deferred revenue		19,385,439	19	19,411,472
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		237,446	25	138,780
	26	Total liabilities. Add lines 17 through 25		90,094,178	26	90,943,940
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		-51,616,406	27	-48,283,362
	28	Temporarily restricted net assets		1,010,296	28	508,431
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), 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		-50,606,110	33	-47,774,931
	34	Total liabilities and net assets/fund balances		39,488,068	34	43,169,009

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	103,045,496
2	Total expenses (must equal Part IX, column (A), line 25)	2	100,347,591
3	Revenue less expenses Subtract line 2 from line 1	3	2,697,905
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-50,606,110
5	Net unrealized gains (losses) on investments	5	993,697
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-860,423
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-47,774,931

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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.

▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

If the organization answered “Yes” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization NATIONAL FEDERATION OF INDEPENDENT BUSINESS INC	Employer identification number 94-0707299
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$ 65,000
3	Volunteer hours	0

Part I-B Complete if the organization is exempt under section 501(c)(3).

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If “Yes,” describe in Part IV	

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ 0
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$ 65,000
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ 65,000
4	Did the filing organization file Form 1120-POL for this year?	☒ Yes ☐ No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1) REPUBLICAN STATE LEADERSHIP COMMITTEE	1800 DIAGONAL ROAD ALEXANDRIA,VA 22314	05-0532524	10,000	
(2) REPUBLICAN GOVERNORS ASSOCIATION	1747 PENNSYLVANIA AVE NW STE 250 WASHINGTON,DC 20006	11-3655877	10,000	
(3) MICHIGAN REPUBLICAN PARTY	520 SEYMOUR STREET LANSING,MI 48933	38-1221182	2,000	
(4) LOGICOM (DBA VICTORY CONVENTION 2012)	1610 17TH AVE S 2ND FLOOR NASHVILLE,TN 37212	62-1671775	10,000	
(5) PARTNERSHIP FOR OHIO'S FUTURE	PO BOX 15159 COLUMBUS,OH 432150159	20-5456371	33,000	

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes ☐ No													

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total. Add lines 1c through 1i.			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912.			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912.			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	No
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	No
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	No

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	94,896,849
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	44,304,271
b	Carryover from last year	2b	
c	Total	2c	44,304,271
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	49,982,852
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	-5,678,581

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Schedule C Part I-A		NFIB paid membership dues to several federal and state political organizations to help gain insight to be used to enhance our programs furthering NFIB's mission to its members. NFIB also participated in a state wide ballot initiative, educating voters on the importance of gaining all the facts on the issue prior to voting on Election Day.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
NATIONAL FEDERATION OF INDEPENDENT
BUSINESS INC

Employer identification number

94-0707299

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ 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 education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

Number of states where property subject to conservation easement is located ▶_____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

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

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

Part V

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		794,900		794,900
b Buildings		4,536,591	2,411,301	2,125,290
c Leasehold improvements		989,418	797,986	191,432
d Equipment		7,724,719	4,953,058	2,771,661
e Other		2,732,576	2,311,452	421,124
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				6,304,407

Schedule D (Form 990) 2012

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

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
ASC TOPIC 740 FOOTNOTE	SCHEDULE D, PART X, LINE 2	The Federation is a tax-exempt organization as described in Section 501(c)(6) of the Internal Revenue Code (the Code), and is generally exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Federation is, however, subject to federal and state income tax on unrelated business income. In addition to digital advertising revenue, during 2012 the Federation began generating income from advertising activities related to the NFIB My Business magazine. Advertising income is subject to taxation under Section 512 of the Code and resulted in unrelated business income tax expense of \$206,332 and \$71,078 for the years ended December 31, 2012 and 2011, respectively. The Federation does not have any significant uncertain tax positions for the years ended December 31, 2012 and 2011.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
NATIONAL FEDERATION OF INDEPENDENT
BUSINESS INC

Employer identification number

94-0707299

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

1

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

a

☒

Mail solicitations

e

☐

Solicitation of non-government grants

b

☒

Internet and email solicitations

f

☐

Solicitation of government grants

c

☒

Phone solicitations

g

☐

Special fundraising events

d

☒

In-person solicitations

2a

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

☒ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
NATIONAL CAPITAL TELESERVICES LLC 300 5th Street NE Washington, DC 20002	TELEMARKET FUNDRAISING		No	2,066,635	1,636,720	429,915
Total ▶				2,066,635	1,636,720	429,915

3

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

FL

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

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

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

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

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

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

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
NATIONAL FEDERATION OF INDEPENDENT
BUSINESS INC

Employer identification number
94-0707299

Part I

General Information on Grants and Assistance

1

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

☒ Yes ☐ No

2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) NFIB YOUNG ENTREPRENEUR FOUNDATION 53 CENTURY BLVD STE 250 NASHVILLE, TN 37214	62-1557196	501(C)(3)	200,000				GENERAL SUPPORT
(2) VOTE YES ON 116 PO BOX 13692 TEMPE, AZ 85284	45-5490490		10,000				GENERAL SUPPORT
(3) BRYCE HARLOW FOUNDATION PO BOX 75652 BALTIMORE, MD 21275	52-1266620	501(C)(3)	10,000				GENERAL SUPPORT
(4) JUNIOR ACHIEVEMENT INC 120 POWELL PLACE NASHVILLE, TN 37204	62-0582571	501(C)(3)	7,350				GENERAL SUPPORT
(5) YOUNG CONSERVATIVES OF PENNSYLVANIA PO BOX 717 NEW CUMBERLAND, PA 17070	87-0741778	501(C)(4)	17,000				GENERAL SUPPORT
(6) NFIB The Voice of Free Enterprise 53 Century Blvd Ste 250 NASHVILLE, TN 37214	27-3615830	501(C)(4)	890,280				GENERAL SUPPORT

2

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

3

3

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

3

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

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

Part IV

Supplemental Information.

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

Identifier	Return Reference	Explanation
SCHEDULE I, PART 1, LINE 2		NFIB PROVIDED GRANTS TO ITS AFFILIATED ORGANIZATIONS TO HELP FURTHER THE EXEMPT PURPOSE OF THOSE ORGANIZATIONS NFIB ALSO MADE CONTRIBUTIONS TO CHARITABLE AND OTHER EXEMPT ORGANIZATIONS WHICH SHARE IN NFIB'S MISSION TO PROMOTE AND PROTECT THE RIGHTS OF SMALL BUSINESSES AND USE OF THESE FUNDS IS MONITORED ACCORDINGLY

OMB No 1545-0047

Open to Public Inspection

▶ Attach to Form 990. ▶ See separate instructions.

94-0707299

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

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII
Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
TRAVEL FOR COMPANIONS	SCHEDULE J, PART 1, LINE 1A	UPON APPROVAL, A BOARD MEMBER'S COMPANION TRAVEL EXPENSES PAID BY NFIB ARE INCLUDED IN THE BOARD MEMBER'S FORM 1099 AS TAXABLE INCOME. UPON APPROVAL, AN EMPLOYEE'S COMPANION TRAVEL EXPENSES PAID OR REIMBURSED BY NFIB ARE INCLUDED IN THE EMPLOYEE'S TAXABLE WAGES AS A TAXABLE "FRINGE BENEFIT" AND TREATED AS SALARY, SUBJECT TO WITHHOLDING, ON THE EMPLOYEE'S FORM W-2.
TAX INDEMNIFICATION AND GROSS-UP PAYMENTS	SCHEDULE J, PART 1, LINE 1A	NFIB HAS A NONQUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN. PLAN PROVISIONS PROVIDE THAT ALL AFTER-TAX BENEFITS BE GROSSED UP. THIS PLAN WAS CLOSED TO NEW PARTICIPANTS IN 2008.
DISCRETIONARY SPENDING ACCOUNT	SCHEDULE J, PART 1, LINE 1A	AS APPROVED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS, THE COMPENSATION PACKAGE OF THE PRESIDENT SHALL INCLUDE CERTAIN ADDITIONAL PAYMENTS SUCH AS AUTO ALLOWANCE AND CELLULAR PHONE/DATA SERVICE ALLOWANCE. IN COMPLIANCE WITH IRS CODE SECTION 132, THESE FRINGE BENEFITS ARE TREATED AS TAXABLE SALARY, SUBJECT TO WITHHOLDING, ON THE EMPLOYEE'S FORM W-2. OFFICERS AND EXECUTIVE MANAGEMENT OF THE COMPANY RECEIVE CELLULAR PHONE/DATA SERVICE ALLOWANCE. IN COMPLIANCE WITH IRS CODE SECTION 132, THESE FRINGE BENEFITS ARE TREATED AS TAXABLE SALARY, SUBJECT TO WITHHOLDING, ON THE EMPLOYEE'S FORM W-2.
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	NFIB PROVIDES SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERPS). THESE NONQUALIFIED PLANS COVER CERTAIN KEY MANAGEMENT AND EXECUTIVE PERSONNEL. PARTICIPATION IN ALL SERPS HAS BEEN FROZEN, AND FUTURE BENEFIT ACCRUALS FOR THE PLANS HAVE CEASED. NO PAYMENTS WERE MADE TO ANY SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN IN 2012.

Software ID:
Software Version:
EIN: 94-0707299
Name: NATIONAL FEDERATION OF INDEPENDENT
BUSINESS INC

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 A DANNER	(i) (ii)	523,878 0	180,250 0	46,498 0	11,575 0	18,214 0	780,415 0	0 0
MARY BLASINSKY	(i) (ii)	219,106 0	75,740 0	13,938 0	14,900 0	18,867 0	342,551 0	0 0
TAMMY S BOEHMS	(i) (ii)	285,594 0	97,528 0	10,231 0	11,538 0	11,891 0	416,782 0	0 0
JEFF SMITH	(i) (ii)	154,323 0	28,019 0	1,796 0	9,164 0	8,772 0	202,074 0	0 0
JOHN CASELLA	(i) (ii)	249,359 0	105,000 0	7,987 0	10,911 0	25,846 0	399,103 0	0 0
SUSAN M ECKERLY	(i) (ii)	240,015 0	82,915 0	3,942 0	11,332 0	18,692 0	356,896 0	0 0
STEPHEN WOODS	(i) (ii)	242,642 0	86,398 0	8,524 0	13,494 0	19,519 0	370,577 0	0 0
MARK GARZONE	(i) (ii)	259,506 0	90,125 0	4,309 0	12,718 0	26,447 0	393,105 0	0 0
JEAN CARD	(i) (ii)	201,636 0	70,000 0	2,062 0	9,810 0	17,285 0	300,793 0	0 0
MARK MOFFITT	(i) (ii)	144,948 0	112,006 0	11,161 0	8,750 0	12,486 0	289,351 0	0 0
BEVERLY SHEA	(i) (ii)	220,387 0	41,322 0	4,750 0	13,131 0	11,961 0	291,551 0	0 0
PAMELA CONNOR	(i) (ii)	194,360 0	67,823 0	3,832 0	11,962 0	25,668 0	303,645 0	0 0

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization NATIONAL FEDERATION OF INDEPENDENT BUSINESS INC	Employer identification number 94-0707299
--	--

Identifier	Return Reference	Explanation
CHANGE TO GOVERNING DOCUMENTS	FORM 990, Part VI, LINE 4	NFIB is the parent organization of NFIB, The Voice of Free Enterprise, Inc , a Tennessee Nonprofit Corporation Membership in NFIB shall include and shall confer upon each member of NFIB non-voting, non-statutory membership in NFIB, The Voice of Free Enterprise, Inc , so that a member of NFIB is also a member of NFIB, The Voice of Free Enterprise, Inc , and termination of membership in NFIB for any reason shall also constitute termination in NFIB, The Voice of Free Enterprise, Inc
FORM 990 PROVIDED TO GOVERNING BODY	PART VI, SECTION B POLICIES, LINE 11	FOLLOWING AN INDEPENDENT AUDIT OF ITS FINANCIAL STATEMENTS, A DRAFT OF NATIONAL FEDERATION OF INDEPENDENT BUSINESS, INC 'S ("NFIB") FORM 990 IS PREPARED THIS FORM 990 IS REVIEWED INTERNALLY BY NFIB'S TAX ACCOUNTANT, CONTROLLER/TREASURER, AND SVP/CFO ANY QUESTIONS ARISING FROM THE INITIAL REVIEW ARE ADDRESSED TO ENSURE THE RETURN IS COMPLETE AND ACCURATE ANY NECESSARY CHANGES/CORRECTIONS ARE MADE ON THE FORM 990 AND THE RETURN AGAIN GOES THROUGH NFIB'S INTERNAL REVIEW PROCESS UPON APPROVAL OF THE SVP/CFO, THE FINAL RETURN IS FILED WITH THE INTERNAL REVENUE SERVICE THE FINAL RETURN IS MADE AVAILABLE TO THE BOARD OF DIRECTORS FOR REVIEW
WRITTEN CONFLICT OF INTEREST POLICY	PART VI, SECTION B POLICIES, LINE 12	EVERY BOARD MEMBER, OFFICER, AND KEY EMPLOYEE OF NFIB IS REQUIRED TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST ON AN ANNUAL BASIS
PROCESS OF DETERMINING COMPENSATION FOR OFFICERS AND OTHER KEY EMPLOYEES	PART VI, SECTION B POLICIES, LINE 15	THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS IS RESPONSIBLE FOR DETERMINING COMPENSATION FOR THE CEO, CFO, SECRETARY, AND CERTAIN KEY EMPLOYEES OF THE ORGANIZATION THE TREASURER'S COMPENSATION IS REVIEWED AND SET BY THE CEO IN NOVEMBER 2011, AN OUTSIDE COMPENSATION CONSULTING FIRM WAS ENGAGED TO PROVIDE EXPERT ANALYSES REGARDING THE REASONABLENESS OF THE TOTAL COMPENSATION PACKAGE FOR THE EXECUTIVES OF NFIB AND ITS AFFILIATED ORGANIZATIONS THE 2011-2012 RESULTS ALONG WITH AN IRC 4958 OPINION LETTER WERE PROVIDED TO THE CHAIRMAN OF THE BOARD FOR THE EXECUTIVE COMMITTEE AT THE FEBRUARY 2012 MEETING THE COMMITTEE RELIES ON THIS INDEPENDENT REVIEW TO ENSURE THAT REASONABLE COMPENSATION IS PAID TO THE CEO, CFO, SECRETARY, AND CERTAIN KEY EMPLOYEES THE COMMITTEE'S PHILOSOPHY IS TO ENSURE THAT THE COMPENSATION FOR THESE POSITIONS RELATIVE TO MARKET COMPARISONS IS COMPETITIVE IN ORDER TO ATTRACT, RETAIN AND MOTIVATE QUALIFIED EMPLOYEES WHILE NOT BEING AT THE TOP OF THE RANGE THE COMMITTEE SETS THE COMPENSATION FOR THE CEO, CFO, SECRETARY, AND CERTAIN KEY EMPLOYEES EACH YEAR DURING THEIR MEETING WHICH IS TYPICALLY HELD IN JANUARY OR FEBRUARY MINUTES FROM THESE ANNUAL MEETINGS ARE TAKEN BY THE CORPORATE SECRETARY DURING THE MEETING WHEN THE MINUTES ARE REVIEWED AND APPROVED, THEY ARE RETAINED WITH ALL OTHER CORPORATE RECORDS
DOCUMENTS AVAILABLE TO THE PUBLIC	PART VI, SECTION C DISCLOSURE, LINE 19	IT IS NFIB'S POLICY TO MAKE AVAILABLE FOR PUBLIC INSPECTION, UPON REQUEST, EITHER WRITTEN OR IN PERSON, ITS EXEMPTION APPLICATION, SUPPORTING DOCUMENTS AND ANY LETTER OR DOCUMENT ISSUED BY THE IRS CONCERNING THE APPLICATION NFIB ALSO MAKES AVAILABLE FOR PUBLIC INSPECTION AND COPYING, UPON REQUEST, EITHER WRITTEN OR IN PERSON, ITS FEDERAL FORM 990, RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX, AND ITS CONFLICT OF INTEREST POLICY
FUND BALANCE RECONCILIATION	FORM 990, PART XI, LINE 9	EQUITY IN AFFILIATED ORGANIZATION 1,876,167 CHANGE IN MINIMUM PENSION LIABILITY (2,119,799) TRANSFER TO RELATED ORGANIZATION (616,791) ----- OTHER CHANGES IN FUND BALANCE (860,423) =====

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
NATIONAL FEDERATION OF INDEPENDENT
BUSINESS INC

Employer identification number

94-0707299

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) NFIB SMALL BUSINESS LEGAL CENTER 53 CENTURY BLVD SUITE 250 NASHVILLE, TN 37214 62-1570449	PUB LAW FIRM	TN	501(C)(3)	SUP ORG I	NFIB	Yes	
(2) NFIB RESEARCH FOUNDATION 53 CENTURY BLVD SUITE 250 NASHVILLE, TN 37214 04-3592337	RESEARCH	TN	501(C)(3)	SUP ORG I	NFIB	Yes	
(3) NFIB SAVE AMERICAS FREE ENTERPRISE TRUST 53 CENTURY BLVD SUITE 250 NASHVILLE, TN 37214 94-2532364	PAC	CA	527	N/A	NFIB	Yes	
(4) NFIB THE VOICE OF FREE ENTERPRISE 53 CENTURY BLVD SUITE 250 NASHVILLE, TN 37214 27-3615830	SOC WELFARE	TN	501(C)(4)	N/A	NFIB	Yes	
(5) NFIB YOUNG ENTREPRENEUR FOUNDATION 53 CENTURY BLVD SUITE 250 NASHVILLE, TN 37214 62-1557196	EDUCATION	TN	501(C)(3)	SUP ORG I	NFIB	Yes	

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) NFIB MEMBER SERVICES CORPORATION 53 CENTURY BLVD SUITE 250 NASHVILLE, TN 372143682 94-2899404	MEMBER BENEFITS	CA	NFIB	C	6,168,946	2,547,963	100 000 %	Yes	

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

	Yes	No
1a	Yes	
1b	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l	Yes	
1m		No
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	
1s	Yes	

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2012

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 94-0707299

Name: NATIONAL FEDERATION OF INDEPENDENT
BUSINESS INC

--> Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
NFIB Member Services Corporation	LINE	31,570	FMV
NFIB Young Entrepreneur Foundation	LINE	200,000	FMV
NFIB THE VOICE OF FREE ENTERPRISE	LINE	890,280	FMV
NFIB SAVE AMERICA'S FREE ENTERPRISE TRUST	LINE	472,747	FMV
NFIB Member Services Corporation	LINE	1,320,942	FMV
NFIB THE VOICE OF FREE ENTERPRISE	LINE	260,196	FMV
NFIB Small Business Legal Center	LINE	117,158	FMV
NFIB Research Foundation	LINE	117,158	FMV
NFIB Member Services Corporation	LINE	138,712	FMV
NFIB Small Business Legal Center	LINE	202,581	FMV
NFIB Research Foundation	LINE	264,984	FMV
NFIB THE VOICE OF FREE ENTERPRISE	LINE	63,451	FMV
NFIB Member Services Corporation	LINE	449,589	FMV
NFIB Young Entrepreneur Foundation	LINE	250,000	FMV
NFIB THE VOICE OF FREE ENTERPRISE	LINE	2,195,264	FMV
NFIB Member Services Corporation	LINE	487,159	FMV

Form 990, Part III Line 1, Organization's Mission

The purposes for which this corporation is organized are

- 1 To promote the economic, financial and political welfare of its members, to elevate the prestige and standing of the independent small business men in his community, to organize the independent or small business men into an association to the end that his voice may be heard effectively in local, state, and national affairs affecting small business
- 2 To preserve, protect, promote and develop the American system of private enterprise by promoting and developing laws and regulations helpful and beneficial to, and for the preservation of, small business
- 3 To conduct polls among its members on matters of importance concerning and affecting small business and its problems, and to collect, compile and disseminate information over the air and through the press relating thereto to its members and the general public
- 4 To expose and resist corruption in government and to secure honesty, efficiency and economy in national, state, and local governments
- 5 To carry on an educational campaign among its members and the general public and in this connection, to publish a magazine for the purpose of disseminating information and ideas to its members and to the public relating to problems vital and of interest to small business, with a view to lawfully influencing the passage of legislation beneficial to its members and the general public, and the defeat of legislation deemed to be inimical to small business and the general public, and from time to time to circulate its membership and to secure their subject matters of legislation affecting small business
- 6 To foster the promotion and advancement of civic, commercial, industrial and political welfare of its members in their respective communities