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2012

Open to Public
Inspection

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

A For the 2012 calendar year, or tax year beginning 10-01-2012, 2012, and ending 09-29-2013

B Check if applicable	C Name of organization RAND CORPORATION		D Employer identification number 95-1958142
<input type="checkbox"/> Address change	Doing Business As		
<input type="checkbox"/> Name change			
<input type="checkbox"/> Initial return	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number (310) 393-0411
<input type="checkbox"/> Terminated	1776 MAIN STREET PO BOX 2138 Suite		
<input type="checkbox"/> Amended return	City or town, state or country, and ZIP + 4 SANTA MONICA, CA 904072138		
<input type="checkbox"/> Application pending			G Gross receipts \$ 488,250,881
F Name and address of principal officer MICHAEL D RICH SAME AS C ABOVE SANTA MONICA, CA 90401		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

J Website: ► WWW RAND ORG

K Form of organization Corporation Trust Association Other ► L Year of formation 1948 M State of legal domicile CA

Part I Summary

1 Briefly describe the organization's mission or most significant activities HELP IMPROVE POLICY AND DECISION MAKING THROUGH RESEARCH AND ANALYSIS		
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)	3	20
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	19
5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,028
6 Total number of volunteers (estimate if necessary)	6	9
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	-8,562
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9 Program service revenue (Part VIII, line 2g)	263,304,404	261,940,012
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12,253,611	10,950,671
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,916,240	15,743,377
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,953,783	996,487
	287,428,038	289,630,547

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	Prior Year	Current Year
14 Benefits paid to or for members (Part IX, column (A), line 4)	353,910	354,932
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
16a Professional fundraising fees (Part IX, column (A), line 11e)	193,465,680	193,312,067
b Total fundraising expenses (Part IX, column (D), line 25) ► 3,832,123	0	0
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	85,610,781	81,409,527
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	279,430,371	275,076,526
19 Revenue less expenses Subtract line 18 from line 12	7,997,667	14,554,021

20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
21 Total liabilities (Part X, line 26)	413,611,220	439,585,216
22 Net assets or fund balances Subtract line 21 from line 20	214,894,874	200,123,820
	198,716,346	239,461,396

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 RICHARD FALLON SENIOR VICE PRESIDENT & CFO Type or print name and title	2014-02-14 Date
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Paid Preparer Use Only	Print/Type preparer's name KARA ADAMS	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► ERNST & YOUNG US LLP			Firm's EIN ►	
	Firm's address ► 18111 VON KARMAN AVENUE SUITE 1000 IRVINE, CA 92612			Phone no (949) 794-2300	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

HELP IMPROVE POLICY AND DECISION MAKING THROUGH RESEARCH AND ANALYSIS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule C.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule C.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ 205,113,981 including grants of \$ 354,932) (Revenue \$ 10,950,671

PUBLIC POLICY RESEARCH ALL IN THE FURTHERANCE OF OUR CHARTER "TO FURTHER AND PROMOTE SCIENTIFIC, EDUCATIONAL, AND CHARITABLE PURPOSES ALL FOR THE PUBLIC WELFARE AND SECURITY OF THE UNITED STATES" AND THE OPERATION OF DOCTORAL AND DEGREE PROGRAMS

4b (Code) (Expenses \$ including grants of \$) (Revenue \$

4c (Code) (Expenses \$ including grants of \$) (Revenue \$

4d Other program services (Describe in Schedule O)

4e Total program service expenses 205.113.981

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

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

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

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

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

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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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

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

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

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

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

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

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

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 XI

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII

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

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

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

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

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

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)

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

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

20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H

b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8	Yes	
9	Yes	
10	Yes	
11a	Yes	
11b	Yes	
11c		No
11d		No
11e	Yes	
11f		No
12a		No
12b	Yes	
13		No
14a	Yes	
14b	Yes	
15		No
16		No
17		No
18		No
19		No
20a		No
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? If "Yes," complete Schedule I, Parts I and II	<input checked="" type="checkbox"/>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<input checked="" type="checkbox"/>	22	Yes	
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? If "Yes," complete Schedule J	<input checked="" type="checkbox"/>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	<input checked="" type="checkbox"/>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28c		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		29	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	<input checked="" type="checkbox"/>	30	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	<input checked="" type="checkbox"/>	31		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		32		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		33	Yes	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	<input checked="" type="checkbox"/>	34	Yes	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	<input checked="" type="checkbox"/>	35a	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		35b	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)? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	36	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	37		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	<input checked="" type="checkbox"/>	38	Yes	
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				

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

1a Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . . .	1a 769	Yes	No
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 2,028		
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 Yes		
b If "Yes," enter the name of the foreign country QA, MX, AE 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 No		
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . .	6b		
7 Organizations that may receive deductible contributions under section 170(c).	7a Yes		
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? . . .	7b Yes		
b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . .	7c Yes		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . .	7d 1		
d If "Yes," indicate the number of Forms 8282 filed during the year . . .	7e No		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .	7f No		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7g		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .	7h		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . .	8		
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? . . .	9a		
9 Sponsoring organizations maintaining donor advised funds.	9b		
a Did the organization make any taxable distributions under section 4966? . . .			
b Did the organization make a distribution to a donor, donor advisor, or related person? . . .			
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders . . .	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . .	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? . . .	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . .	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . .	13b		
c Enter the amount of reserves on hand . . .	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year? . . .	14a	No	
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b		

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	20
	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		
1b	Enter the number of voting members included in line 1a, above, who are independent	1b	19
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	8a	Yes
a	The governing body?	8b	Yes
b	Each committee with authority to act on behalf of the governing body?	9	No
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		

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	Yes
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12b	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12c	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	13	Yes
13	Did the organization have a written whistleblower policy?	14	Yes
14	Did the organization have a written document retention and destruction policy?	15a	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?	15b	Yes
a	The organization's CEO, Executive Director, or top management official	16a	No
b	Other officers or key employees of the organization	16b	
	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?		
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?		

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed AL, CA, MA, MS, NJ, NY, PA, VA
- 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
 RICHARD FALLON 1776 MAIN STREET SANTA MONICA, CA (310) 393-0411

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.

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

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

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 **624**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
JOHNSON CONTROLS INC , 5757 N GREEN BAY AVENUE MILWAUKEE WI 53201	BUILDING MAINTENANCE	1,277,596
SERVICON SYSTEMS INC , 3965 LANDMARK STREET CULVER CITY CA 90232	JANITORIAL SERVICES	581,697
PRICEWATERHOUSECOOPERS LLP , 300 MADISON AVENUE 24TH FLOOR NEW YORK NY 10017	AUDIT & CONSULT SVCS	514,222
ALLIED BARTON SECURITY SVCS LLC , 161 WASHINGTON ST STE 600 CONSHOHOCKEN PA 19428	GUARD SERVICES	491,969
SODEXO AFFILIATES , 9801 WASHINGTON BLVD GAITHERSBURG MD 20878	FOOD MANAGEMENT	479,194

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 **►32**

Part VIII Statement of Revenue

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	220,418,319			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	41,521,693			
	g Noncash contributions included in lines 1a-1f \$		3,901,736			
	h Total. Add lines 1a-1f			261,940,012		
Program Service Revenue	2a FEE REVENUE	Business Code				
		900099	10,950,671	10,950,671		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		10,950,671			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		4,485,162		-8,649	
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
	6a Gross rents	(i) Real	(ii) Personal			
	b Less rental expenses					
	c Rental income or (loss)	0	0			
	d Net rental income or (loss)			0		
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less cost or other basis and sales expenses	206,094,376	3,781,736				
c Gain or (loss)	194,836,161	3,781,736				
d Net gain or (loss)	11,258,215	0	11,258,215		11,258,215	
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		0			
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities	a					
See Part IV, line 19						
b Less direct expenses	b		0			
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a	2,524				
b Less cost of goods sold	b	2,437				
c Net income or (loss) from sales of inventory			87		87	
Miscellaneous Revenue		Business Code				
11a SUBLEASE RENTS		900099	996,400		996,400	
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		996,400				
12 Total revenue. See Instructions		289,630,547	10,950,671	-8,562	16,748,426	

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	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	354,932	354,932		
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 . . .	5,519,938	1,996,176	3,328,965	194,797
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	754,017	357,781	358,007	38,229
7 Other salaries and wages	126,898,217	103,807,582	21,283,830	1,806,805
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . .	11,728,323	9,636,702	1,911,637	179,984
9 Other employee benefits . . .	37,963,380	30,589,938	6,795,837	577,605
10 Payroll taxes . . .	10,448,192	8,654,604	1,639,250	154,338
11 Fees for services (non-employees)				
a Management . . .	0			
b Legal . . .	862,121	101,480	758,194	2,447
c Accounting . . .	983,242	131,039	852,203	
d Lobbying . . .	12,314	12,314		
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees . . .	264,811		264,811	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . .	7,909,497	5,301,940	2,127,000	480,557
12 Advertising and promotion . . .	0			
13 Office expenses . . .	6,006,736	4,011,242	1,883,642	111,852
14 Information technology . . .	6,977,084	3,625,714	3,346,583	4,787
15 Royalties . .	0			
16 Occupancy . . .	9,873,754	3,150,731	6,641,102	81,921
17 Travel . . .	11,979,832	10,418,008	1,390,911	170,913
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . .	0			
19 Conferences, conventions, and meetings . . .	331,975	248,051	74,510	9,414
20 Interest . . .	3,893,801		3,893,801	
21 Payments to affiliates . . .	0			
22 Depreciation, depletion, and amortization . . .	8,874,213	1,246,498	7,627,715	
23 Insurance . . .	1,587,921	490,475	1,097,446	
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 SUBCONTRACTS	17,320,893	17,313,893		7,000
b LETTER AGREEMENTS	1,938,588	1,914,334	19,934	4,320
c TAXES AND LICENSES	537,030	149,951	383,302	3,777
d MISCELLANEOUS EXPENSES	2,055,715	1,600,596	451,742	3,377
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	275,076,526	205,113,981	66,130,422	3,832,123
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 SheetCheck if Schedule O contains a response to any question in this Part X

		(A) Beginning of year	(B) End of year
Assets			
1	Cash—non-interest-bearing	3,907,250	1 5,750,317
2	Savings and temporary cash investments	26,594,083	2 18,872,949
3	Pledges and grants receivable, net	9,016,787	3 6,598,307
4	Accounts receivable, net	50,066,797	4 65,725,525
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	2,761,614	7 2,761,614
8	Inventories for sale or use	5,505	8 7,175
9	Prepaid expenses and deferred charges	4,793,687	9 5,113,297
10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 200,150,933	
b	Less accumulated depreciation	10b 86,751,957	10c 117,043,778 113,398,976
11	Investments—publicly traded securities	137,276,503	11 181,643,957
12	Investments—other securities See Part IV, line 11	58,704,824	12 34,553,731
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	3,440,392	15 5,159,368
16	Total assets. Add lines 1 through 15 (must equal line 34)	413,611,220	16 439,585,216
Liabilities			
17	Accounts payable and accrued expenses	66,467,813	17 55,487,937
18	Grants payable	0	18 0
19	Deferred revenue	13,061,472	19 16,969,016
20	Tax-exempt bond liabilities	120,800,000	20 118,670,000
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	14,565,589	25 8,996,867
26	Total liabilities. Add lines 17 through 25	214,894,874	26 200,123,820
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
27	Unrestricted net assets	130,807,009	27 160,268,781
28	Temporarily restricted net assets	21,565,222	28 30,774,708
29	Permanently restricted net assets	46,344,115	29 48,417,907
Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
30	Capital stock or trust principal, or current funds	30	
31	Paid-in or capital surplus, or land, building or equipment fund	31	
32	Retained earnings, endowment, accumulated income, or other funds	32	
33	Total net assets or fund balances	198,716,346	33 239,461,396
34	Total liabilities and net assets/fund balances	413,611,220	34 439,585,216

Part XI Reconciliation of Net AssetsCheck 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	289,630,547
2	Total expenses (must equal Part IX, column (A), line 25)	2	275,076,526
3	Revenue less expenses Subtract line 2 from line 1	3	14,554,021
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	198,716,346
5	Net unrealized gains (losses) on investments	5	11,492,174
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	14,698,855
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	239,461,396

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	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	2c	Yes
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes
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	3b	Yes

Additional Data

Software ID:
Software Version:
EIN: 95-1958142
Name: RAND CORPORATION

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee			
MICHAEL D RICH PRESIDENT & CEO	40 0 0 0	X		X			660,709	0	108,864
BARBARA BARRETT TRUSTEE	1 0 0 0	X					6,300	0	0
RICHARD J DANZIG TRUSTEE	1 0 0 0	X					0	0	0
KENNETH FEINBERG TRUSTEE	1 0 0 0	X					0	0	0
FRANCIS FUKUYAMA TRUSTEE	1 0 0 0	X					4,378	0	0
PEDRO JOSE GREER JR TRUSTEE	1 0 0 0	X					10,684	0	0
BONNIE HILL TRUSTEE	1 0 0 0	X					0	0	0
KAREN ELLIOTT HOUSE TRUSTEE	1 0 0 0	X					0	0	0
PAUL G KAMINSKI TRUSTEE	1 0 0 0	X					6,614	0	0
ANN MC LAUGHLIN KOROLOGOS TRUSTEE	1 0 0 0	X					4,900	0	0
PHILIP LADER TRUSTEE	1 0 0 0	X					0	0	0
MICHAEL E LEITER TRUSTEE	1 0 0 0	X					2,420	0	0
PETER LOWY TRUSTEE	1 0 0 0	X					0	0	0
JAMES M LOY TRUSTEE	1 0 0 0	X					2,100	0	0
MICHAEL LYNTON TRUSTEE	1 0 0 0	X					0	0	0
RONALD L OLSON TRUSTEE	1 0 0 0	X					0	0	0
PAUL H O'NEILL TRUSTEE	1 0 0 0	X					6,478	0	0
MARY E PETERS TRUSTEE	1 0 0 0	X					4,200	0	0
DONALD B RICE TRUSTEE	1 0 0 0	X					1,578	0	0
DAVID K RICHARDS TRUSTEE	1 0 0 0	X					0	0	0
JAMES E ROHR TRUSTEE	1 0 0 0	X					0	0	0
HECTOR RUIZ TRUSTEE	1 0 0 0	X					4,200	0	0
LEONARD D SCHAEFFER TRUSTEE	1 0 0 0	X					2,800	0	0
DONALD TANG TRUSTEE	1 0 0 0	X					0	0	0
TIMOTHY M BONDS VICE PRESIDENT	40 0 0 0			X			256,216	0	48,876

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee			
ALLISON E ELDER VICE PRESIDENT	40 0 0 0			X			234,637	0	49,363
RICHARD FALCON SENIOR VICE PRESIDENT AND CFO	40 0 0 0			X			392,394	0	56,416
JONATHAN GRANT RAND EU PRES (END 9/30/12)	0 0 40 0			X			0	288,743	17,348
EDWARD T HARSHBERGER VICE PRESIDENT	40 0 0 0			X			151,020	0	30,526
ANDREW HOEHN SENIOR VICE PRESIDENT	40 0 0 0			X			329,837	0	49,521
WILLIAM P HORRIGAN VICE PRESIDENT	40 0 0 0			X			295,143	0	56,515
DEBRA S KNOPMAN VICE PRESIDENT	40 0 0 0			X			275,347	0	54,604
LINDSEY C KOZBERG VICE PRESIDENT	40 0 0 0			X			286,284	0	33,872
SUSAN L MARQUIS DEAN AND VICE PRESIDENT	40 0 0 0			X			310,295	0	52,844
HANS PUNG RAND EU PRES (BEGIN 10/1/12)	0 0 40 0			X			0	172,266	11,480
CHARLES P RIES VICE PRESIDENT	40 0 0 0			X			213,679	0	32,739
K JACK RILEY VICE PRESIDENT	40 0 0 0			X			262,062	0	37,984
MELISSA K ROWE VICE PRESIDENT	40 0 0 0			X			222,236	0	50,721
DEBRA L SCHROEDER VP, GENERAL COUNSEL & CORP SEC	40 0 0 0			X			277,303	0	55,408
JEFFREY WASSERMAN VICE PRESIDENT	40 0 0 0			X			281,799	0	57,076
ARIE KAPTEYN UNIT HEAD, RESEARCH MANAGEMENT	40 0 0 0				X		365,563	0	38,347
CARL R NEU SENIOR ECONOMIST	40 0 0 0				X		360,072	0	32,816
HANINE SALEM UNIT HEAD, RESEARCH MANAGEMENT	40 0 0 0				X		397,862	0	43,677
JAMES P SMITH SENIOR PRINCIPAL RESEARCHER	40 0 0 0				X		326,980	0	44,663
OBAIDULLAH YOUNOSSI UNIT HEAD, RESEARCH MANAGEMENT	40 0 0 0				X		343,830	0	51,161
VIVIAN J ARTERBERY FORMER OFFICER	40 0 0 0					X	152,746	0	20,529
ROBERT H BROOK FORMER OFFICER	20 0 0 0					X	160,398	0	44,232
ARTHUR L KELLERMANN FORMER OFFICER	40 0 0 0					X	377,845	0	54,973
ADELE R PALMER FORMER OFFICER	40 0 0 0					X	199,582	0	31,516
JAMES A THOMSON FORMER OFFICER	40 0 0 0					X	738,469	0	7,432

SCHEDULE A
(Form 990 or 990EZ)**Public Charity Status and Public Support****2012****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

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

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

Name of the organization
RAND CORPORATION**Employer identification number**

95-1958142

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

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

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

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

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

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

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

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

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

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

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

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

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

e a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?	(v) Did you notify the organization in col (i) of your support?	(vi) Is the organization in col (i) organized in the U S ?	(vii) Amount of monetary support
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	231,780,065	244,912,391	250,987,982	263,304,404	261,940,012	1,252,924,854
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	231,780,065	244,912,391	250,987,982	263,304,404	261,940,012	1,252,924,854
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						0
6 Public support. Subtract line 5 from line 4						1,252,924,854

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	231,780,065	244,912,391	250,987,982	263,304,404	261,940,012	1,252,924,854
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,874,420	3,685,446	5,037,181	4,096,276	4,485,162	21,178,485
9 Net income from unrelated business activities, whether or not the business is regularly carried on	0	0	0	0	0	0
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	1,924,902	1,943,071	1,996,574	1,953,823	996,400	8,814,770
11 Total support (Add lines 7 through 10)						1,282,918,109
12 Gross receipts from related activities, etc (see instructions)					12	54,642,567
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	97 662 %
15 Public support percentage for 2011 Schedule A, Part II, line 14	15	97 060 %
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		►✓
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		►□
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		►□
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		►□
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		►□

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15
16 Public support percentage from 2011 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization	
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization	
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions	

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C
(Form 990 or 990-EZ)**Political Campaign and Lobbying Activities****2012****Open to Public
Inspection****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.

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
RAND CORPORATION

Employer identification number

95-1958142

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 ► \$ _____
- 3 Volunteer hours _____

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 ► \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ _____
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ _____
- 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-

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)		0	
b Total lobbying expenditures to influence a legislative body (direct lobbying)		12,314	
c Total lobbying expenditures (add lines 1a and 1b)		12,314	
d Other exempt purpose expenditures		275,064,840	
e Total exempt purpose expenditures (add lines 1c and 1d)		275,077,154	
f Lobbying nontaxable amount Enter the amount from the following table in both columns		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)		250,000	
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?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	13,836	7,853	11,659	12,314	45,662
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	0	0	0	0	0

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	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

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	
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).	2a	
a Current year	2b	
b Carryover from last year	2c	
c Total	3	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
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?	5	
5 Taxable amount of lobbying and political expenditures (see instructions)		

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
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SCHEDULE D
(Form 990)**Supplemental Financial Statements****2012****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

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

Name of the organization
RAND CORPORATION**Employer identification number**

95-1958142

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
2a	
2b	
2c	
2d	

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 ► \$ 120,000

(ii) Assets included in Form 990, Part X ► \$ 221,825

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 ► \$ _____

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) ALTERNATIVE INVESTMENTS	34,553,731	F

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	310,880,866
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	11,492,174
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	11,111,677
e	Add lines 2a through 2d	2e	22,603,851
3	Subtract line 2e from line 1	3	288,277,015
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	259,811
b	Other (Describe in Part XIII)	4b	1,093,721
c	Add lines 4a and 4b	4c	1,353,532
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	289,630,547

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

1	Total expenses and losses per audited financial statements	1	285,097,942
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	11,374,948
e	Add lines 2a through 2d	2e	11,374,948
3	Subtract line 2e from line 1	3	273,722,994
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	259,811
b	Other (Describe in Part XIII)	4b	1,093,721
c	Add lines 4a and 4b	4c	1,353,532
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	275,076,526

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
DESCRIPTION OF COLLECTIONS AND HOW THEY FURTHER THE ORG'S EXEMPT PURPOSE	SCHEDULE D, PART III, LINE 4	THE DONATED ARTWORK ASSISTS RAND IN ITS MISSION AS IT ALLOWS RAND TO OFFER COLLECTION TOURS AS PART OF DONOR CULTIVATION AND CONTINUES TO BE A FEATURED PART OF RAND'S ART AND ARCHITECTURE TOURS FOR THE COMMUNITY
TRUST ESCROW AND CUSTODIAL ARRANGEMENTS	SCHEDULE D, PART IV, LINE 1B	RAND CONTRIBUTES TO, AND IS THE SOLE TRUSTEE OF, A VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION IRREVOCABLE TRUST THAT IS USED TO PARTIALLY FUND HEALTH CARE BENEFITS FOR RETIREES AND THEIR ELIGIBLE DEPENDENTS. BENEFICIARIES SHARE SUBSTANTIALLY IN THE COST OF COVERAGE
USES OF ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	RAND'S ENDOWMENT CONSISTS OF APPROXIMATELY 28 INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. IT HAS BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF TRUSTEES TO FUNCTION AS ENDOWMENT FUNDS. RAND HAS ADOPTED INVESTMENT AND SPENDING POLICIES FOR ITS ENDOWMENT THAT ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING TO THE PROGRAMS SUPPORTED BY THE ENDOWMENT WHILE SEEKING TO MAINTAIN THE PURCHASING POWER OF THE ENDOWMENT ASSETS
DETAIL OF AMOUNT	SCHEDULE D, PART XI, LINE 2D	RAND EUROPE REVENUE \$ 11,111,677
DETAIL OF AMOUNT	SCHEDULE D, PART XI, LINE 4B	SUBLEASE REVENUE \$ 996,400 INTEREST INCOME GROSS-UP \$ 100,074 MISCELLANEOUS (\$ 2,753) ----- TOTAL \$ 1,093,721
DETAIL OF AMOUNT	SCHEDULE D, PART XII, LINE 2D	RAND EUROPE EXPENSE \$ 11,374,948
DETAIL OF AMOUNT	SCHEDULE D, PART XII, LINE 4B	SUBLEASE REVENUE \$ 996,400 INTEREST INCOME GROSS-UP \$ 100,074 MISCELLANEOUS (\$ 2,753) ----- TOTAL \$ 1,093,721

2012

Open to Public
InspectionSCHEDULE F
(Form 990)

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,

Part IV, line 14b, 15, or 16.

► Attach to Form 990. ► See separate instructions.

Department of the Treasury
Internal Revenue ServiceName of the organization
RAND CORPORATION

Employer identification number

95-1958142

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

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

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

3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Middle East and North Africa	2	6	Program Services	PUBLIC POLICY RESEARCH	6,416,674
Russia and the Newly Independent States	0	0	Program Services	PUBLIC POLICY RESEARCH	182,026
Central America and the Caribbean	0	0	Investments		16,156,722
3a Sub-total	2	6			22,755,422
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	2	6			22,755,422

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

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

3 Enter total number of other organizations or entities

Schedule F (Form 990) 2012

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

Part IV Foreign Forms

1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* Yes No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)* Yes No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* Yes No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)* Yes No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).* Yes No

Part V Supplemental Information

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

Identifier	ReturnReference	Explanation
ACCOUNTING METHOD	SCHEDULE F, PART I, LINE 3, COLUMN F	CONSISTENT WITH OTHER EXPENDITURES DISCLOSED IN THIS 990 FORM, THE PROGRAM SERVICE EXPENDITURES LISTED IN SCHEDULE F, PART I ARE SHOWN USING AN ACCRUAL BASIS OF ACCOUNTING

Schedule I (Form 990)

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

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
RAND CORPORATION

Employer identification number

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
or assistance**

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) FELLOWSHIP GRANTS	11	354,932			

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
DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF FUNDS	SCHEDULE I, PART I, LINE 2	TO ENHANCE ITS RESEARCH AGENDA AND PROVIDE VALUABLE TRAINING IN POLICY ANALYSIS, THE RAND CORPORATION PARTICIPATES IN A NUMBER OF PROGRAMS THAT PROVIDE FUNDING FOR FELLOWSHIPS OUTSIDE ORGANIZATIONS, AGENCIES, AND FOUNDATIONS OCCASIONALLY MAKE FELLOWSHIPS AVAILABLE THROUGH GRANTS AWARDED TO RAND. SUCH OPPORTUNITIES ARE GENERALLY WIDELY ADVERTISED AND A COMPETITIVE APPLICATION PROCESS DETERMINES THE FELLOWSHIP RECIPIENT. FELLOWSHIP FUNDS ARE SEGREGATED AND MANAGEMENT ACTIVELY MONITORS SPENDING TO ENSURE ANY AND ALL REQUIREMENTS ARE MET

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

2012**Open to Public Inspection**Name of the organization
RAND CORPORATION**Employer identification number**

95-1958142

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input checked="" type="checkbox"/> Housing allowance or residence for personal use
<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input checked="" type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a	Yes	
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b		No
7	Yes	
8		No
9		

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

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

Note. The sum of columns (B)(i)-(iii) 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
SUPPLEMENTAL COMPENSATION INFORMATION	SCHEDULE J, PART I, LINE 1A	RAND PROVIDES ADDITIONAL BENEFITS TO EMPLOYEES IN CONSIDERATION OF CERTAIN INTERNATIONAL ASSIGNMENTS, SUCH AS TAX INDEMNIFICATIONS AND HOUSING ALLOWANCES. BENEFITS ARE TAXABLE AND THUS REPORTED AS INCOME BY THE INDIVIDUAL. THESE BENEFITS ARE DETAILED IN AN EXPATRIATE AGREEMENT SIGNED BY THE INDIVIDUALS. TRAVEL IS AUTHORIZED FOR SPOUSES OF TRUSTEES AND OFFICERS TWICE A YEAR FOR THE BOARD OF TRUSTEE MEETINGS. ALL SUCH TRAVEL EXPENSES ARE INCLUDED IN INCOME.
SCHEDULE J, PART I, LINE 4A		IN OCTOBER 2011, JAMES THOMSON RETIRED AS THE PRESIDENT AND CEO. IN NOVEMBER 2011, A SEVERANCE PAYMENT OF \$661,542 WAS GRANTED BY THE BOARD AND PAID IN JANUARY 2012. AMOUNTS RELATED TO THE SEVERANCE PLAN WERE SHOWN IN PREVIOUS 990 FORMS, IN THE YEARS EARNED, WITHIN SCHEDULE J UNDER DEFERRED COMPENSATION. CONSEQUENTLY, THE FULL SEVERANCE AMOUNT IS REPORTED IN THE "COMPENSATION REPORTED IN PRIOR FORM 990" COLUMN IN SCHEDULE J FOR CY2012. ADDITIONALLY, AS THE PAYMENT WAS MADE TO THOMSON IN JANUARY 2012 AND IS REFLECTED IN HIS W-2 FORM FOR CY2012, THE AMOUNT IS ALSO REPORTED IN "OTHER REPORTABLE COMPENSATION" ON SCHEDULE J FOR CY2012.
SCHEDULE J, PART I, LINE 4B		IN CY2012, JAMES THOMSON AND MICHAEL RICH RECEIVED PAYMENTS RELATED TO A NONQUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) PLAN. THE PLAN HAD TWO PARTICIPANTS UNTIL NOVEMBER 2011 WHEN JAMES THOMSON RETIRED AS PRESIDENT AND CEO. AT THIS TIME MICHAEL RICH BECAME THE ONLY PARTICIPANT OF THE PLAN. THE ORGANIZATION'S SERP PROVIDES A BENEFIT DETERMINED BY A FORMULA DRIVEN BY COMPENSATION, CONTINUOUS SERVICE AND AGE. THE BENEFIT IS PAID IMMEDIATELY AFTER THE END OF THE CALENDAR YEAR. THE MAXIMUM DEFERRAL AMOUNT UNDER SECTION 457(B), \$17,500 FOR CY2012, IS DEPOSITED INTO A RABBI TRUST HELD BY TIAA-CREF (CUSTODIAN), WHICH ALLOWS THE EXECUTIVES TO DIRECT HOW THE BENEFITS WILL BE INVESTED WITHIN THEIR NONQUALIFIED RETIREMENT ACCOUNTS. THE REMAINDER ACCOUNTS ARE PAID DIRECTLY TO THE PARTICIPANTS AND ARE INCLUDED AS PART OF THE W-2 EARNINGS UNDER SECTION 457(F). CY2012 PAYMENTS RELATED TO SECTION 457(F), INCLUDED IN SCHEDULE J, WERE \$49,586 FOR THOMSON AND \$14,054 FOR RICH.
SCHEDULE J, PART I, LINE 7		AS NOTED IN SCHEDULE O, PART OF THE BONUS PROVIDED TO PARTICIPANTS OF THE VARIABLE COMPENSATION PROGRAM IS DISCRETIONARY. A PREDETERMINED PERCENTAGE OF THE VARIABLE PAY MAY BE AWARDED AT THE DISCRETION OF THE CEO. THE VARIABLE COMPENSATION PROGRAM IS CONTINGENT ON WHETHER CERTAIN GOALS ARE ACHIEVED, INCLUDING CORPORATE FINANCIAL AND STRATEGIC ACHIEVEMENTS AS WELL AS INDIVIDUAL GOALS. THE CEO, CFO, UNIT AND DEPARTMENT HEADS, AND OTHERS PARTICIPATE IN THE PROGRAM. AN ANNUAL REVIEW PROCESS, INCLUDING REVIEW BY THE EXECUTIVE COMMITTEE OR COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE, HELPS ENSURE THAT GOAL MEASUREMENT IS VALIDATED AND PAYOUTS ARE IN ACCORDANCE WITH THE PROGRAM.
SCHEDULE J, PART II, COLUMN B (III)		HANINE SALEM, CARL NEU, AND OBAIDULLAH YOUNOSSI HAD EXPATRIATE AGREEMENTS AT SOME TIME DURING THE COURSE OF CY2012. BENEFITS FROM SUCH AGREEMENTS ARE TAXABLE AND CONVEYED AS OTHER REPORTABLE COMPENSATION.

Software ID:
Software Version:
EIN: 95-1958142
Name: RAND CORPORATION

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				
MICHAEL D RICH	(i) 458,778 (ii) 0	173,863 0	28,068 0	83,493 0	25,371 0	769,573 0	0 0
TIMOTHY M BONDS	(i) 226,453 (ii) 0	28,515 0	1,248 0	29,495 0	19,381 0	305,092 0	0 0
ALLISON E ELDER	(i) 196,498 (ii) 0	29,048 0	9,091 0	26,965 0	22,398 0	284,000 0	0 0
RICHARD FALLOON	(i) 297,686 (ii) 0	84,370 0	10,338 0	29,495 0	26,921 0	448,810 0	0 0
JONATHAN GRANT	(i) 0 (ii) 252,036	0 36,707	0 0	0 16,475	0 873	0 306,091	0 0
EDWARD T HARSHBERGER	(i) 139,667 (ii) 0	11,032 0	321 0	15,638 0	14,888 0	181,546 0	0 0
ANDREW HOEHN	(i) 271,892 (ii) 0	54,841 0	3,104 0	29,495 0	20,026 0	379,358 0	0 0
WILLIAM P HORRIGAN	(i) 256,767 (ii) 0	31,774 0	6,602 0	29,495 0	27,020 0	351,658 0	0 0
DEBRA S KNOPMAN	(i) 247,258 (ii) 0	24,997 0	3,092 0	29,495 0	25,109 0	329,951 0	0 0
LINDSEY C KOZBERG	(i) 260,276 (ii) 0	25,052 0	956 0	24,495 0	9,377 0	320,156 0	0 0
SUSAN L MARQUIS	(i) 268,526 (ii) 0	37,906 0	3,863 0	29,495 0	23,349 0	363,139 0	0 0
HANS PUNG	(i) 0 (ii) 135,559	0 36,707	0 0	0 10,607	0 873	0 183,746	0 0
CHARLES P RIES	(i) 198,244 (ii) 0	13,606 0	1,829 0	24,632 0	8,107 0	246,418 0	0 0
K JACK RILEY	(i) 230,999 (ii) 0	30,056 0	1,007 0	29,495 0	8,489 0	300,046 0	0 0
MELISSA K ROWE	(i) 188,573 (ii) 0	27,543 0	6,120 0	23,487 0	27,234 0	272,957 0	0 0
DEBRA L SCHROEDER	(i) 245,732 (ii) 0	26,610 0	4,961 0	29,495 0	25,913 0	332,711 0	0 0
JEFFREY WASSERMAN	(i) 199,624 (ii) 0	6,000 0	76,175 0	29,495 0	27,581 0	338,875 0	0 0
ARIE KAPTEYN	(i) 330,778 (ii) 0	29,753 0	5,032 0	29,495 0	8,852 0	403,910 0	0 0
CARL R NEU	(i) 251,787 (ii) 0	10,250 0	98,035 0	29,495 0	3,321 0	392,888 0	0 0
HANINE SALEM	(i) 153,401 (ii) 0	28,884 0	215,577 0	20,736 0	22,941 0	441,539 0	0 0

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				
JAMES P SMITH	(i) 322,057 (ii) 0	0 0	4,923 0	29,495 0	15,168 0	371,643 0	0 0
OBAIDULLAH YOUNOSSI	(i) 176,534 (ii) 0	52,570 0	114,726 0	27,328 0	23,833 0	394,991 0	0 0
VIVIAN J ARTERBERY	(i) 102,839 (ii) 0	12,164 0	37,743 0	12,470 0	8,059 0	173,275 0	0 0
ROBERT H BROOK	(i) 155,988 (ii) 0	0 0	4,410 0	17,651 0	26,581 0	204,630 0	0 0
ARTHUR L KELLERMANN	(i) 298,577 (ii) 0	74,081 0	5,187 0	29,495 0	25,478 0	432,818 0	0 0
ADELE R PALMER	(i) 150,996 (ii) 0	11,960 0	36,626 0	17,729 0	13,787 0	231,098 0	0 0
JAMES A THOMSON	(i) 4,400 (ii) 0	15,872 0	718,197 0	0 0	7,432 0	745,901 0	711,128 0

**Schedule K
(Form 990)****Supplemental Information on Tax Exempt Bonds****2012****Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceName of the organization
RAND CORPORATIONEmployer identification number
95-1958142**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CA INFRASTRUCTURE & ECONOMIC DEVELOPMENT PLAN	63-0304653	13033WK51	05-13-2008	34,975,000	SEE PART VI		X		X		X
B	CA INFRASTRUCTURE & ECONOMIC DEVELOPMENT PLAN	63-0304653	13033WK69	06-02-2008	93,565,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
		1	2	3	4
1	Amount of bonds retired	0	0		
2	Amount of bonds legally defeased	0	0		
3	Total proceeds of issue	34,975,000	96,565,000		
4	Gross proceeds in reserve funds	0	0		
5	Capitalized interest from proceeds	0	0		
6	Proceeds in refunding escrows	0	0		
7	Issuance costs from proceeds	0	1,035,000		
8	Credit enhancement from proceeds	0	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	0	0		
11	Other spent proceeds	0	0		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2004	2004		
14	Were the bonds issued as part of a current refunding issue?	Yes X	No X	Yes	No
15	Were the bonds issued as part of an advance refunding issue?		X		X
16	Has the final allocation of proceeds been made?	X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X	

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►	0 00000%		0 00000%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►	0 00000%		0 00000%		%		%	
6 Total of lines 4 and 5	0 00000%		0 00000%		%		%	
7 Does the bond issue meet the private security or payment test?								
8a Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?								
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 00000%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X				
b Exception to rebate?		X		X				
c No rebate due?	X		X					
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X		X					
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X					
b Name of provider	DEUTSCHE BANK		BARCLAYS					
c Term of hedge	34 5		34 7					
d Was the hedge superintegrated?		X		X				
e Was a hedge terminated?		X		X				

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider	0		0					
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X					

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
PURPOSE OF BOND ISSUES	0	SCHEDULE K, PART I, LINE 1, COLUMN (F) SERIES 2008A BONDS REFUNDED SERIES 2007 BONDS, WHICH THEMSELVES REFUNDED SERIES 2002A BONDS. THE SERIES 2008A BONDS WERE ISSUED ON 5/13/2008. THE SERIES 2002A BONDS WERE ISSUED ON 7/2/2002. SERIES 2008B BONDS REFUNDED SERIES 2002B BONDS. THE SERIES 2008B BONDS WERE ISSUED ON 6/2/2008. THE 2002B BONDS WERE ALSO ISSUED ON 7/2/2002. PER IRS GUIDANCE CONTAINED IN THE FORM 990 SCHEDULE K INSTRUCTIONS, ORGANIZATIONS WHO HAVE OUTSTANDING BONDS (OVER \$100,000) ISSUED AFTER 12/31/2002 MUST FILE A SCHEDULE K RAND THEREFORE FILES A SCHEDULE K DUE TO ITS OUTSTANDING 2008A AND 2008B BONDS. HOWEVER, ORGANIZATIONS REPORTING ON BONDS ISSUED AFTER 12/31/2002 BUT WHICH REFUNDED BONDS ISSUED PRIOR TO 12/31/2002 (WHETHER DIRECTLY OR THROUGH A SERIES OF REFUNDINGS) DO NOT REPORT INFORMATION IN PART III (PRIVATE BUSINESS USE) OF SCHEDULE K RAND THEREFORE DOES NOT REPORT INFORMATION IN PART III OF SCHEDULE K.

SCHEDULE M
(Form 990)

Noncash Contributions

OMB No 1545-0047

2012

Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service►Complete if the organizations answered "Yes" on Form
990, Part IV, lines 29 or 30.
►Attach to Form 990.Name of the organization
RAND CORPORATION

Employer identification number

95-1958142

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	60	120,000	APPRaised PRICE
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial	X	3	3,781,736	OTHER
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (_____)				
26 Other ► (_____)				
27 Other ► (_____)				
28 Other ► (_____)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement		29		2

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

Part II Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
SCHEDULE M, PART I, COLUMN B		THE AMOUNTS REPORTED IN COLUMN B ARE THE RESPECTIVE TOTALS OF THE TYPES OF CONTRIBUTED PROPERTY
SCHEDULE M, PART I, LINE 32A		AN INDEPENDENT REAL ESTATE BROKER SOLD THE THREE PIECES OF DONATED PROPERTY AND WAS COMPENSATED FOR THESE SERVICES AT FAIR MARKET VALUE

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.

2012**Open to Public
Inspection**Name of the organization
RAND CORPORATION**Employer identification number**

95-1958142

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	PART III, LINE 4A	RAND IS A PUBLIC CHARITY AND AS SUCH RECEIVES A SUBSTANTIAL PART OF ITS SUPPORT FROM THE GOVERNMENT AND THE GENERAL PUBLIC (SEE ALSO SCHEDULE A) THIS SUPPORT IS NOT CONSIDERED PROGRAM SERVICE REVENUE AS DEFINED BY THE IRS AND THUS NOT REPORTED ON PART III, LINE 4A. HOWEVER, LIKE ALL PUBLIC CHARITIES, THIS SUPPORT IS USED TO FUND RAND'S PROGRAM SERVICE EXPENSES WHICH ARE REPORTED ON PART III, LINE 4A

Identifier	Return Reference	Explanation
ORGANIZATIONS GOVERNING BODY PROCEDURES FOR FORM 990 REVIEW	PART VI, SECTION B, LINE 11B	RAND SUMMARIZES THE INFORMATION TO BE INCLUDED ON THE FORM 990 AND PROVIDES THE SUPPORT TO A THIRD-PARTY TAX FIRM SO THAT A DRAFT RETURN CAN BE COMPILED. THIS FIRM PROVIDES TAX GUIDANCE THROUGHOUT THE YEAR IN ADDITION TO PROVIDING GUIDANCE ON RETURN PREPARATION. ONCE THE DRAFT FORM 990 IS COMPILED, IT IS REVIEWED BY VARIOUS LEVELS OF MANAGEMENT WITHIN RAND, INCLUDING THE CFO. THE RAND BOARD OF TRUSTEES HAS DELEGATED TO THE AUDIT COMMITTEE THE RESPONSIBILITY FOR THE OVERSIGHT OF THE FORM 990. THEREFORE, ONCE THE FORM 990 IS FINALIZED, IT IS THOROUGHLY REVIEWED BY THE AUDIT COMMITTEE (ALONG WITH THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS) AT A MEETING IN JANUARY AND APPROVED FOR RELEASE. THE FORM 990 IS SUBMITTED TO THE IRS IN FEBRUARY.

Identifier	Return Reference	Explanation
WRITTEN CONFLICT OF INTEREST POLICY ENFORCEMENT	PART VI, SECTION B, LINE 12A	<p>NEW STAFF MEMBERS RECEIVE COPIES OF SEVERAL KEY POLICIES, INCLUDING INSTITUTIONAL PRINCIPLES, CONFLICT OF INTEREST, QUALITY ASSURANCE, AND OTHER ESSENTIAL POLICIES. CONFLICT OF INTEREST, CORPORATE INTEGRITY, INSTITUTIONAL PRINCIPLES, AND ETHICS POLICIES ARE POST PROMINENTLY ON RAND'S INTRANET. ALL EMPLOYEES ARE REQUIRED TO DISCLOSE OUTSIDE PROFESSIONAL ACTIVITIES, AND ALL KEY STAFF MEMBERS AND STAFF WHO WORK ON RESEARCH PROJECTS ARE REQUIRED TO DISCLOSE RELATIONSHIPS AND FINANCIAL INTERESTS (I) THAT ARE RELATED TO THEIR RESEARCH RESPONSIBILITIES, OR (II) THAT COULD THAT COULD BRING INTO QUESTION THE OBJECTIVITY OF THE RESEARCH. SUCH DISCLOSURES MUST BE MADE AT LEAST ANNUALLY, AND STAFF ALSO MUST REVIEW AND ACKNOWLEDGE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY AND COMPLETE RELEVANT TRAINING. PROSPECTIVE TRUSTEES ADVISE KEY MANAGEMENT OF ANY POSSIBLE CONFLICTS OF INTEREST BEFORE JOINING THE BOARD OF TRUSTEES. MOREOVER, ON AN ANNUAL BASIS EACH TRUSTEE IS ASKED BY THE VP, GENERAL COUNSEL, CORPORATE SECRETARY TO PROVIDE A LIST OF AFFILIATIONS IN WRITING THAT MAY RAISE A CONFLICT OF INTEREST ISSUE AND SIGN THE PRINCIPLES OF CONDUCT STATEMENT WHICH ASSERTS THAT THEY WOULD DISQUALIFY THEMSELVES FROM PARTICIPATING IN ANY RAND MATTERS IN WHICH THEY BELIEVE MAY GIVE RISE TO A POSSIBLE CONFLICT OF INTEREST. RAND MAINTAINS A FORMAL RECORD OF ALL INSTANCES WHERE TRUSTEES RECUSE THEMSELVES BECAUSE OF A POSSIBLE CONFLICT OF INTEREST. ADDITIONALLY, RAND'S GENERAL COUNSEL HAS EACH OFFICER COMPLETE AND SIGN AN ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE BY SIGNING THE FORM. EACH OFFICER AGREES TO INFORM RAND IF ANY CIRCUMSTANCES CHANGE THAT WOULD MODIFY THE RESPONSES. FINALLY, ALL RAND OFFICERS AND TRUSTEES ARE ASKED TO COMPLETE AN ANNUAL RELATED PARTY QUESTIONNAIRE, SENT BY RAND'S CFO ORGANIZATION TO SUPPORT RAND'S RESPONSES TO CERTAIN QUESTIONS ON THE FORM 990. THIS QUESTIONNAIRE, WHICH IS REVIEWED BY VARIOUS LEVELS OF MANAGEMENT, SEEKS TO IDENTIFY FAMILY AND BUSINESS RELATIONSHIPS AMONGST THE TRUSTEES AND OFFICERS AND REPRESENTS ANOTHER OPPORTUNITY OTHER THAN THE ABOVE FOR POTENTIAL CONFLICTS TO BE IDENTIFIED. PER THE AUDIT COMMITTEE CHARTER, THE CORPORATE INTEGRITY PROGRAM AND CONFLICT OF INTEREST POLICY IS REVIEWED ANNUALLY WITH THE AUDIT COMMITTEE. THE CONFLICT OF INTEREST POLICY WAS FORMALLY REVIEWED AND LAST APPROVED BY THE AUDIT COMMITTEE IN OCTOBER 2013.</p>

Identifier	Return Reference	Explanation
WRITTEN WHISTLEBLOWER POLICY	PART VI, SECTION B, LINE 13	RAND HAS A WHISTLEBLOWER POLICY WHICH THE AUDIT COMMITTEE REVIEWS ANNUALLY. THE AUDIT COMMITTEE LAST REVIEWED AND APPROVED THE POLICY IN OCTOBER 2013

Identifier	Return Reference	Explanation
WRITTEN DOCUMENT RETENTION AND DESTRUCTION POLICY	PART VI, SECTION B, LINE 14	RAND HAS A DOCUMENT RETENTION AND DISPOSITION POLICY, WHICH THE AUDIT COMMITTEE REVIEWS ANNUALLY. THE AUDIT COMMITTEE LAST REVIEWED AND APPROVED THE POLICY IN OCTOBER 2013

Identifier	Return Reference	Explanation
DETERMINATION OF COMPENSATION FOR CEO, EXEC DIRECTOR & TOP MANAGEMENT	PART VI, SECTION B, LINE 15A	THE COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE CONDUCTS ANNUAL PERFORMANCE REVIEWS FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER AS PART OF THE YEARLY EVALUATION, THE COMMITTEE REVIEWS MARKET DATA FROM SEVERAL SALARY SURVEYS AND EMPLOYS AN INDEPENDENT COMPENSATION CONSULTANT TO REVIEW FOR REASONABILITY. THE COMMITTEE RECOMMENDS SALARY INCREASES AND DISCRETIONARY AMOUNTS OF THE VARIABLE COMPENSATION PROGRAM FOR THE UPCOMING YEAR TO THE BOARD OF TRUSTEES WHICH MAKES THE FINAL DECISION FOR THESE OFFICERS' COMPENSATION. THE COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE CONDUCTS THE REVIEW IN THE FALL AND DOCUMENTS THE REVIEW IN COMMITTEE MINUTES WHICH ARE THEN APPROVED AT THE NEXT MEETING. RAISES ARE EFFECTIVE IN FEBRUARY

Identifier	Return Reference	Explanation
DETERMINATION OF COMPENSATION FOR OTHER OFFICERS AND KEY EMPLOYEES	PART VI, SECTION B, LINE 15B	THE PRESIDENT AND CHIEF EXECUTIVE OFFICER REVIEWS THE COMPENSATION FOR OFFICERS AND OTHER RESEARCH HEADS, OTHER THAN THOSE MENTIONED IN PART VI-B, #15A. HE PUTS FORTH SALARY INCREASE SUGGESTIONS AFTER EXAMINING PERFORMANCE, SALARY SURVEYS, AND BENCHMARK STUDIES. THE SALARY INCREASES FOR KEY EMPLOYEES WITHIN THE RESEARCH GROUP ARE SUGGESTED BY THE GLOBAL RESEARCH TALENT VICE PRESIDENT. BOTH SETS OF RECOMMENDATIONS ARE GIVEN TO THE COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE, WHICH ULTIMATELY DECIDES ON THE SALARY INCREASES EACH YEAR

Identifier	Return Reference	Explanation
PUBLIC DISCLOSURE OF GOVERNING DOCUMENTS AND POLICIES	PART VI, SECTION C, LINE 19	THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE ON RAND'S EXTERNAL WEBSITE WWW RAND ORG. MOREOVER, THIS INFORMATION, AS WELL AS RAND'S GOVERNING DOCUMENTS AND FORM 990, IS AVAILABLE UPON REQUEST AND AT THE SANTA MONICA OFFICE. FURTHER, THIS INFORMATION HAS BEEN SUBMITTED TO SEVERAL STATES AND GOVERNMENT AGENCIES AS PART OF VARIOUS REGISTRATION PROCESSES AND IS AVAILABLE ON THOSE ORGANIZATIONS' WEBSITES

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	PART XI, LINE 5	ADJUSTMENT TO POST RETIREMENT LIABILITY \$ 5,462,359 CHANGES IN FMV OF DERIVATIVES \$ 9,236,496 ----- TOTAL \$14,698,855

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

Department of the Treasury
Internal Revenue ServiceOpen to Public
InspectionName of the organization
RAND CORPORATIONEmployer identification number
95-1958142**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
(1) RAND CORPORATION ENDOWMENT TRUST 400 HOWARD STREET SAN FRANCISCO, CA 94105 33-6357131	INVESTMENTS	CA	1,335,218	38,755,790	RAND CORP
(2) ROEA 1112 LLC 1776 MAIN STREET PO BOX 2138 SANTA MONICA, CA 90407 95-1958142	REAL ESTATE	CA	0	0	RAND CORP

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
(1) RAND Europe (UK) Westbrook Centre Milton Road Cambridge, CB4 1YG UK	Policy Rsrch	UK	N/A	N/A	RAND CORP	Yes
(2) RAND Retiree Medical Benefit Plan 1776 Main Street PO Box 2138 Santa Monica, CA 90407 95-4496399	FUND SUPPORT	CA	501(C)(9)	N/A	RAND CORP	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.)

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.)

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		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o		No
1p		No
1q		No
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
(1) RAND EUROPE COMMUNITY INTEREST COMPANY	A-I	187,605	ACCRUAL METHOD
(2) RAND RETIREE MEDICAL BENEFIT PLAN	R	1,750,486	ACCRUAL METHOD
(3) RAND RETIREE MEDICAL BENEFIT PLAN	S	1,080,308	ACCRUAL METHOD

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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.

Software ID:
Software Version:
EIN: 95-1958142
Name: RAND CORPORATION

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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