

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

Department of the Treasury Internal Revenue Service

A For the 2007 calendar year, or tax year beginning 04/01, 2007, and ending 03/31/2008

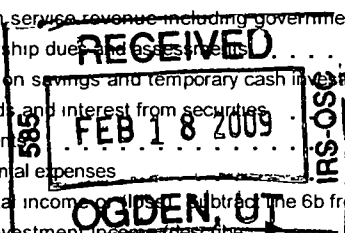
B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending. C Name of organization: IN-Q-TEL, INC. D Employer identification number: 52-2149962 E Telephone number: (703) 248-3000 F Accounting method: Accrual

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: WWW.IQT.ORG J Organization type: 501(c)(3) K Check here if the organization is not a 509(a)(3) supporting organization... L Gross receipts: 62,454,617

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions)

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program services, Membership dues, Dividends, Gross revenue, Sales of assets, Special events, and Total revenue/expenses.



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For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions)

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	4,465,931.	1,285,804.	3,180,127.	
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	152,957.	152,957.		
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	14,215,508.	11,342,428.	2,873,080.	
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	1,290,195.	918,313.	371,882.	
29 Payroll taxes	529,381.	373,742.	155,639.	
30 Professional fundraising fees				
31 Accounting fees	466,976.		466,976.	
32 Legal fees	981,763.	99,201.	882,562.	
33 Supplies	247,387.	75,120.	172,267.	
34 Telephone	402,535.	212,098.	190,437.	
35 Postage and shipping	31,391.	13,143.	18,248.	
36 Occupancy	1,082,304.	103,000.	979,304.	
37 Equipment rental and maintenance	64,932.	20,217.	44,715.	
38 Printing and publications	4,912.	2,523.	2,389.	
39 Travel	1,194,606.	973,052.	221,554.	
40 Conferences, conventions, and meetings	604,561.	76,285.	528,276.	
41 Interest				
42 Depreciation, depletion, etc (attach schedule) ^{STMT 3}	323,468.		323,468.	
43 Other expenses not covered above (itemize)				
a <u>STMT 9</u>	43a 20,804,441.	19,217,026.	1,587,415.	
b _____	43b			
c _____	43c			
d _____	43d			
e _____	43e			
f _____	43f			
g _____	43g			
44 Total functional expenses Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	44 46,863,248.	34,864,909.	11,998,339.	

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? **STATEMENT 10**
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)

a SEE STATEMENT 10

(Grants and allocations \$ NONE) If this amount includes foreign grants, check here

34,864,909.

b -----

(Grants and allocations \$) If this amount includes foreign grants, check here

c -----

(Grants and allocations \$) If this amount includes foreign grants, check here

d -----

(Grants and allocations \$) If this amount includes foreign grants, check here

e Other program services (attach schedule)
(Grants and allocations \$) If this amount includes foreign grants, check here

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services)

34,864,909.

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year		(B) End of year		
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
Assets	45	Cash - non-interest-bearing		45		
	46	Savings and temporary cash investments	STMT 1	72,400,608.	46	80,908,958.
	47a	Accounts receivable	47a			
	b	Less allowance for doubtful accounts	47b		47c	
	48a	Pledges receivable	48a			
	b	Less allowance for doubtful accounts	48b		48c	
	49	Grants receivable		7,434,363.	49	3,377,548.
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51a	Other notes and loans receivable (attach schedule)	51a	1,214.		
	b	Less allowance for doubtful accounts	51b		NONE 51c	1,214.
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		419,204.	53	263,930.
	54a	Investments - publicly-traded securities	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	424,592.	54a	5,393,234.
	b	Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	30,592,874.	54b	35,764,711.
55a	Investments - land, buildings, and equipment basis	55a	STMT 14			
b	Less accumulated depreciation (attach schedule)	55b		55c		
56	Investments - other (attach schedule)		STMT 15	3,989,773.	56	4,535,395.
57a	Land, buildings, and equipment basis	57a	5,189,749.			
b	Less accumulated depreciation (attach schedule)	57b	STMT 3	3,791,630.	57c	666,616.
58	Other assets, including program-related investments (describe <input type="checkbox"/> STMT 16)			NONE 58	1,034,282.	
59	Total assets (must equal line 74). Add lines 45 through 58		115,928,030.	59	132,677,391.	
Liabilities	60	Accounts payable and accrued expenses		7,801,409.	60	8,486,508.
	61	Grants payable			61	
	62	Deferred revenue	STMT 1	54,049,767.	62	53,482,782.
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe <input type="checkbox"/>)			65	
66	Total liabilities. Add lines 60 through 65		61,851,176.	66	61,969,290.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		54,076,854.	67	70,708,101.
	68	Temporarily restricted			68	
	69	Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
73	Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		54,076,854.	73	70,708,101.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		115,928,030.	74	132,677,391.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	63,494,495.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	2,645,386.
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify): -----	b4	
	Add lines b1 through b4	b	2,645,386.
c	Subtract line b from line a	c	60,849,109.
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) -----	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12) Add lines c and d ▶	e	60,849,109.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	46,863,248.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) -----	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	46,863,248.
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) -----	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17) Add lines c and d ▶	e	46,863,248.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 21		4,405,931.	167,628.	60,000.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 11		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." ▶ If "Yes," attach a statement that includes the information described in the instructions	75c	X
d Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits
(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 22		152,957.	NONE	NONE

Part VI Other Information (See the instructions.)	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization ▶ <u>IN-Q-TEL EMPLOYEE FUND, LLC</u> and check whether it is <input type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt		
81a Enter direct and indirect political expenditures (See line 81 instructions) 81a NONE		
b Did the organization file Form 1120-POL for this year?	81b	N/A

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
	83b N/A		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84a N/A		
	84b N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	85b N/A		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	85h N/A		
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) orgs Enter a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 NONE, section 4912 NONE, section 4955 NONE		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 NONE		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization NONE		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	89g N/A		
90 a	List the states with which a copy of this return is filed CA, MA		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	90b	58
91 a	The books are in care of IN-Q-TEL Telephone no 703-248-3000		
	Located at PO BOX 749 ARLINGTON, VA ZIP + 4 22216		
b	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)? If "Yes," enter the name of the foreign country		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?
If "Yes," enter the name of the foreign country
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the tax year

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Medicare/Medicaid payments, Membership dues, Interest on savings, Dividends, Net rental income, Other investment income, Gain or loss from sales, and Subtotal.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

Yes	No
N/A	

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
N/A	

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
N/A	

Please Sign Here

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.

Signature of officer: *Matthew Stottman* Date: 2/17/09

Type or print name and title: Matthew Stottman, EUP + CFO

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: FEB 13 2009 Check if self-employed:

Firm's name (do not use if self-employed), address, and ZIP + 4: PRICEWATERHOUSECOOPERS LLP EIN: 13-4008324

1301 K STREET NW, SUITE 800W Phone no: 202-414-1000

WASHINGTON, DC 20005

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information - (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2007

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 23		1,895,032.	100,141.	NONE
Total number of other employees paid over \$50,000 . . ▶		65		

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 17		
Total number of others receiving over \$50,000 for professional services ▶		5

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 18		
Total number of other contractors receiving over \$50,000 for other services ▶		50

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

Schedule A (Form 990 or 990-EZ) 2007

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)

a Sale, exchange, or leasing of property?STMT 19

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?STMT 20

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . FORM 990, PART V . .

2d X

e Transfer of any part of its income or assets?

2e X

3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b N/A

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c N/A

d Enter the total number of donor advised funds owned at the end of the tax year

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts

NONE

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year

NONE

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 12 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 charitable, etc , 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) (Also complete the Support Schedule in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization
 - Type I
 - Type II
 - Type III - Functionally Integrated
 - Type III - Other

Provide the following information about the supported organizations. (See page 8 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns for years (a) 2006, (b) 2005, (c) 2004, (d) 2003, and (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12.

Part V Private School Questionnaire (See page 9 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following		
	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
	d Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to.		
	a Students' rights or privileges?		
	b Admissions policies?		
	c Employment of faculty or administrative staff?		
	d Scholarships or other financial assistance?		
	e Educational policies?		
	f Use of facilities?		
	g Athletic programs?		
	h Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
	b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . .	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) . . .	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 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	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

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 45 through 50 on page 13 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities **NOT APPLICABLE**
 (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h)			
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 other means			
i Total lobbying expenditures (Add lines c through h)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

Table with 3 columns: Question, Yes, No. Rows include 51a(i) Cash, 51a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

- (i) Cash
(ii) Other assets
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [] Yes [X] No

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====

INTEREST INCOME INCLUDED IN DEFERRED REVENUE
PART IV, LINES 46 & 62

FOR THE REPORTING PERIOD ENDING MARCH 31, 2008, THE TAXPAYER WAS OBLIGATED TO UTILIZE ALL INTEREST EARNED ON CASH RECEIVED UNDER CONTRACT WITH THE CENTRAL INTELLIGENCE AGENCY FOR THE SUPPORT OF SCIENTIFIC RESEARCH OR EDUCATION IN PURSUIT OF THE TAXPAYER'S MISSION. INTEREST IN THE AMOUNT OF \$ 3,884,715 WAS RECEIVED DURING THE REPORTING PERIOD AND HAS BEEN INCLUDED AS DEFERRED REVENUE ON THE BALANCE SHEET.

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====REALIZED GAINS AND LOSSES
PART I, LINES 8A-D

SECURITY NAME -----	COST -----	PROCEEDS (*) -----	GAIN/LOSS -----
STRATIFY	\$153,685	\$2,433,568	\$2,279,883
ARCSIGHT	\$247,762	\$1,351,738	\$1,103,976
INXIGHT	\$283,639	\$41,836	(\$241,803)
EEI	\$108,243	\$126,688	\$18,445
VISUAL SCIENCES	\$124,005	\$222,265	\$98,260
SPOTFIRE	\$163,244	\$643,305	\$480,061
A4	\$7,540	\$0	(\$7,540)
PALANTIR	\$517,390	\$2,002,500	\$1,485,110
NET GAIN FROM SALE OF SECURITIES	\$1,605,508	\$6,821,900	\$5,216,392

(*) IN-Q-TEL IS REQUIRED TO REINVEST RETURNS INTO FURTHER TECHNOLOGIES AND PROGRAMS TO BENEFIT THE CIA, THE INTELLIGENCE COMMUNITY AND THE US GOVERNMENT, IN ACCORDANCE WITH THE ORGANIZATION'S NON-PROFIT MISSION AND AGREEMENT WITH THE CIA.

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====

DEPRECIATION & FIXED ASSETS

PART II, LINE 42 (DEPRECIATION EXPENSE) & PART IV, LINE 57 (FIXED ASSETS)

CONSTRUCTION IN PROGRESS	\$ 247,873
COMPUTER EQUIPMENT	\$2,140,462
FURNITURE AND FIXTURES	\$ 575,185
LEASEHOLD IMPROVEMENTS	\$1,490,972
OFFICE EQUIPMENT	\$ 735,257

TOTAL	\$5,189,749
ACCUMULATED DEPRECIATION	(\$3,791,630)

TOTAL FIXED ASSETS	\$1,398,119
DEPRECIATION EXPENSE	\$ 323,468

FORM 990 - GENERAL EXPLANATION ATTACHMENT

COMPENSATION EXPLANATION
PART V & SCHEDULE A, PART I

IN-Q-TEL'S MISSION IS TO DELIVER LEADING-EDGE TECHNOLOGIES TO THE CIA AND THE INTELLIGENCE COMMUNITY BY INVESTING IN TECHNOLOGIES THAT ARE BENEFICIAL TO THE SECURITY OF THE UNITED STATES. IN ORDER TO EFFECTIVELY PERFORM THIS JOB, IN-Q-TEL HIRES EMPLOYEES WITH HIGHLY DIFFERENTIATED SKILLS AND CREDENTIALS. IN-Q-TEL MUST ATTRACT, RETAIN AND REWARD EMPLOYEES (BASED ON PERFORMANCE) FROM THE INDUSTRIES AND TALENT POOLS ALIGNED WITH THE MISSION OF IN-Q-TEL. THIS REQUIRES A MIX OF EMPLOYEES FROM THE PRIVATE EQUITY, FINANCIAL SERVICES, HIGH TECHNOLOGY AND GENERAL INDUSTRY MARKETS. COMPENSATION PROGRAMS AND POLICIES NECESSARILY ARE MODELED AFTER THOSE FOUND IN THESE MARKETS AND ARE DESIGNED TO ENCOURAGE EMPLOYEES TO ACHIEVE AGAINST GOALS. THE HIGHLY SPECIALIZED TALENTS NECESSARY TO MEET THE NEEDS OF THE BUSINESS ARE TYPICALLY NOT FOUND IN TRADITIONAL NON-PROFIT ORGANIZATIONS.

OUR COMPENSATION PLAN WAS DEVELOPED TO PAY OUR EMPLOYEES APPROPRIATELY UNDER GUIDELINES FOR NOT-FOR-PROFIT 501(C)(3) ORGANIZATIONS, AND IN DOING SO INCENTIVIZE EMPLOYEES TO ACHIEVE MISSION GOALS. THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES IS RESPONSIBLE FOR THE ONGOING OVERSIGHT OVER THE ADMINISTRATION OF COMPENSATION AT IN-Q-TEL.

COMPENSATION PROGRAMS

IN-Q-TEL'S COMPENSATION PROGRAM CONSISTS OF:

- * BASE SALARY (ANNUAL INCREASES ARE BASED ON SURVEY MARKET DATA AND INDIVIDUAL PERFORMANCE)
- * INCENTIVE BONUS PROGRAM (BASED SOLELY ON PERFORMANCE)
- * EMPLOYEE INVESTMENT PROGRAM (LONG-TERM INCENTIVE; INDICATOR OF LONG-TERM PERFORMANCE SUCCESS.)

BASE SALARY

BASE SALARY IS DETERMINED BASED ON RELEVANT MARKET DATA IN APPROPRIATE INDUSTRIES AND REVIEWED BY INDEPENDENT OUTSIDE CONSULTANTS.

INCENTIVE BONUS PLAN

THE INCENTIVE BONUS PLAN WAS DEVELOPED BASED ON RELEVANT MARKET DATA IN APPROPRIATE INDUSTRIES, REVIEWED BY INDEPENDENT OUTSIDE CONSULTANTS, AND REVIEWED BY IN-Q-TEL'S INDEPENDENT BOARD OF TRUSTEES.

THE INCENTIVE BONUS PLAN IS BASED SOLELY ON PERFORMANCE. IT IS DESIGNED

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
=====

TO FOCUS, MOTIVATE AND REWARD IN-Q-TEL EMPLOYEES FOR THE ACHIEVEMENT OF SPECIFIC QUARTERLY AND ANNUAL GOALS AND OUTCOMES THAT ADVANCE THE SUCCESS OF IN-Q-TEL IN CARRYING OUT ITS MISSION FOR THE CIA AND THE INTELLIGENCE COMMUNITY.

EMPLOYEES' "TARGET" BONUS IS BASED ON MARKET SURVEY DATA FOR COMPARABLE POSITIONS IN COMPARABLE INDUSTRIES. AN EMPLOYEE'S ANNUAL INCENTIVE IS TIED TO PERFORMANCE AGAINST COMPANY AND INDIVIDUAL GOALS AND OBJECTIVES. IN-Q-TEL'S PERFORMANCE SCORE IS BASED ON THE COMPANY'S ACHIEVEMENTS DURING THE RELEVANT FISCAL YEAR AS DETERMINED BY THE BOARD OF TRUSTEES AND TAKING INTO ACCOUNT AN ANNUAL REVIEW PROVIDED BY THE CIA'S IN-Q-TEL INTERFACE CENTER.

EMPLOYEE INCENTIVE PROGRAM (EIP)

AS A NON-PROFIT CORPORATION, NON STOCK ENTITY, IN-Q-TEL IS UNABLE TO OFFER STOCK OR STOCK OPTIONS ON TERMS SIMILAR TO THE EQUITY-BASED COMPENSATION OF COMPETITIVE PUBLICLY TRADED COMPANIES. THE EIP PROVIDES A MEANS BY WHICH THE COMPANY CAN OFFER A LONG-TERM EMPLOYEE INVESTMENT PROGRAM AND PROVIDES EMPLOYEES A COMPELLING STAKE IN THE COMPANY'S PROGRAMS, SHARING BOTH THE RISK AND THE BENEFITS.

THE EIP IS A LIMITED LIABILITY COMPANY (LLC) WHICH MAKES SIDE-BY-SIDE INVESTMENTS WITH IN-Q-TEL INTO EACH PORTFOLIO SECURITY. ALL EMPLOYEES ARE REQUIRED TO INVEST A PORTION OF THEIR AFTER-TAX COMPENSATION INTO THE EIP WHICH IS USED TO MAKE THESE SIDE-BY-SIDE INVESTMENTS. THIS LONG-TERM INCENTIVE CREATES POSITIVE INCENTIVES THAT BENEFIT THE MISSION BY ALIGNING EMPLOYEES' INTERESTS WITH THE OVERALL SUCCESS OF IN-Q-TEL'S PROGRAMS AND MISSION.

THE EIP WAS FROZEN IN JUNE 2007 AND IN-Q-TEL IS MAKING NO FURTHER CONTRIBUTIONS TO THE EIP ON BEHALF OF EMPLOYEES, AND NO FURTHER INVESTMENTS ARE BEING MADE BY THE EIP ON BEHALF OF EMPLOYEES.

BOARD OF TRUSTEES COMPENSATION

TRUSTEES FEES PAID IN THIS REPORTING PERIOD WERE PAID PURSUANT TO A PLAN APPROVED BY A COMMITTEE OF TRUSTEES WITH ADVICE OF OUTSIDE COMPENSATION CONSULTANTS AS TO REASONABLENESS. SEVERAL TRUSTEES WAIVED COMPENSATION.

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====

RELATION THROUGH FAMILY OR BUSINESS
PART V-A, LINE 75B

IN-Q-TEL HAS CONFLICTS OF INTEREST POLICIES WHICH (I) REQUIRE TRUSTEES AND EMPLOYEES TO DISCLOSE POSITIONS WITH AND FINANCIAL INTERESTS IN COMPANIES WITH WHICH IN-Q-TEL HAS ENTERED INTO OR IS CONSIDERING ENTERING INTO A TRANSACTION, AND (II) REQUIRE TRUSTEES AND EMPLOYEES GENERALLY TO RECUSE THEMSELVES FROM PARTICIPATING IN IN-Q-TEL'S DECISION-MAKING WITH RESPECT TO THE TRANSACTION, UNLESS OTHERWISE DETERMINED BY THE BOARD OR IN-Q-TEL'S ETHICS OFFICER.

FORM 990, PART I - OTHER INVESTMENT INCOME
=====

DESCRIPTION -----	AMOUNT -----
EARNINGS ON INVESTMENT IN IN-Q-TEL EMPLOYEE FUND, LLC	55,629. -----
TOTAL	55,629. =====

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	2,645,386.
TOTAL	----- 2,645,386. =====

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
DUES AND SUBSCRIPTIONS	63,217.	35,974.	27,243.
PROFESSIONAL FEES	556,442.	192,331.	364,111.
RECRUITING, HR, PLACEMENT FEES	56,825.	37,775.	19,050.
INSURANCE	411,502.		411,502.
MISCELLANEOUS	32,331.	21,445.	10,886.
TEMPORARY HELP	6,742.	4,284.	2,458.
LICENSES AND PERMITS	34,191.	1,249.	32,942.
RESEARCH MATERIALS	107,793.	82,420.	25,373.
WORK PROGRAMS FOR			
CIA/IC CUSTOMERS	18,539,369.	18,031,547.	507,822.
EQUIPMENT EXPENSE	859,045.	810,001.	49,044.
BANK FEES	136,984.		136,984.
TOTALS	20,804,441.	19,217,026.	1,587,415.

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

PROGRAM SERVICE ACCOMPLISHMENT A

IN-Q-TEL WAS ESTABLISHED IN 1999 AS AN INDEPENDENT, PRIVATE AND NOT-FOR-PROFIT COMPANY TO HELP THE CIA AND THE GREATER U.S. INTELLIGENCE COMMUNITY (IC) IDENTIFY, ADVANCE, AND DEPLOY CUTTING-EDGE TECHNOLOGIES THAT MEET PRESENT AND FUTURE INTELLIGENCE NEEDS. IN-Q-TEL'S OPEN AND ENTREPRENEURIAL INVESTMENT MODEL GIVES IT THE AGILITY - LACKING WITHIN TRADITIONAL GOVERNMENT CONTRACTING APPROACHES - TO FIND AND NURTURE THE ENTREPRENEURS AND COMPANIES THAT CAN PROVIDE A SUPPLY CHAIN OF INNOVATION THAT ENABLES THE IC TO BENEFIT FROM TECHNOLOGY BREAKTHROUGHS.

IN-Q-TEL'S MISSION IS TO TAKE THE CALCULATED INVESTMENT RISKS NECESSARY TO SUPPORT LEADING-EDGE, BUT OFTEN UNPROVEN, TECHNOLOGIES AND MATURE THEM TO OPERATIONAL TECHNOLOGIES THAT HELP THE CIA AND THE IC ACHIEVE THEIR MISSION.

APPROACH

- IN-Q-TEL, WORKING CLOSELY WITH THE CIA AND THE IC, IS:
- * A STRATEGIC INVESTMENT FIRM, INVESTING IN COMPANIES AND HELPING BUILD BUSINESSES INTO RELIABLE PROVIDERS FOR THE IC
- * A TECHNOLOGY ACCELERATOR, FOSTERING DEVELOPMENT AND INTRODUCTION OF TECHNOLOGIES NEEDED BY THE IC
- * A CAPABILITIES BUILDER, HELPING NASCENT COMMERCIAL TECHNOLOGIES MATURE INTO COMMERCIAL-OFF-THE-SHELF (COTS) PRODUCTS THE GOVERNMENT CAN BUY
- * AN IDEA LAB AND FORUM FOR INNOVATION, PROVIDING THE IC WITH INSIGHT AND ACCESS TO BOTH NEW TECHNOLOGIES AND LEADING INNOVATORS AND THINKERS

IDENTIFYING THE NEWEST TECHNOLOGIES:

TECHNOLOGY DEVELOPMENT WORK PROGRAMS AND EQUITY INVESTMENTS ARE IN-Q-TEL'S MAIN AVENUE FOR GAINING ACCESS TO EMERGING COMPANIES THAT ARE NOT KNOWN TO THE IC. THROUGH LATE-STAGE RESEARCH AND DEVELOPMENT PROGRAMS, IN-Q-TEL ADVANCES TECHNOLOGIES TOWARDS SPECIFIC SOLUTIONS THAT ARE ALIGNED WITH IC CAPABILITY INTERESTS. IN-Q-TEL COMPLEMENTS THESE WORK PROGRAMS WITH EQUITY STAKES THROUGH WHICH IN-Q-TEL GAINS INSIGHT AND INFLUENCE TO SUPPORT TECHNOLOGY

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS
 =====

DEVELOPMENT THAT WILL GENERATE PRODUCTS FOR THE IC. IN THIS WAY, OUR STRATEGIC INVESTMENTS ACCELERATE PRODUCT DEVELOPMENT AND DELIVERY AND HELP COMPANIES ADD CAPABILITIES THAT IC USERS NEED.

AREAS OF FOCUS INCLUDE A BROAD RANGE OF TECHNOLOGIES, INCLUDING APPLICATION SOFTWARE AND ANALYTICS; BIO, NANO, AND CHEMICAL TECHNOLOGIES; COMMUNICATIONS AND INFRASTRUCTURE; DIGITAL IDENTITY AND SECURITY; AND EMBEDDED SYSTEMS AND POWER.

BUILDING STRONG COMPANIES FOR STRONG TECHNOLOGIES:

USING PRODUCT DEVELOPMENT FUNDING AND EQUITY INVESTING, IN-Q-TEL CREATES INCENTIVES FOR COMPANIES TO PUT THEIR BEST TALENT INTO SOLVING THE TOUGHEST TECHNOLOGY PROBLEMS FACING THE CIA AND THE INTELLIGENCE COMMUNITY. THROUGH WORK PROGRAMS AND MARKET GUIDANCE, IN-Q-TEL FOSTERS THE DEVELOPMENT OF STRONG COMPANIES WHICH PRODUCE COMMERCIALY VIABLE TECHNOLOGIES THAT AT THE SAME TIME SOLVE CRITICAL INTELLIGENCE COMMUNITY MISSION CHALLENGES.

SERVING NEW INTELLIGENCE COMMUNITY CUSTOMERS:

TODAY, IN-Q-TEL HAS EXPANDED ITS IC PARTNERSHIPS TO INCLUDE CIA, THE DEFENSE INTELLIGENCE AGENCY (DIA), THE FEDERAL BUREAU OF INVESTIGATION (FBI), THE NATIONAL GEOSPATIAL INTELLIGENCE AGENCY (NGA) AND OTHER GOVERNMENT AGENCIES.

PROGRAM ACCOMPLISHMENTS

IN FURTHERANCE OF ITS EXEMPT PURPOSES, IN-Q-TEL'S ACHIEVEMENTS SINCE INCEPTION IN 1999 THROUGH MARCH 31, 2008 INCLUDE THE FOLLOWING:

1. DELIVERED MORE THAN 140 TECHNOLOGIES, MANY OF WHICH HAVE CONTRIBUTED DIRECTLY TO CIA AND IC MISSIONS. TECHNOLOGY DELIVERED BY IN-Q-TEL, FOR EXAMPLE, MAKES IT POSSIBLE TO FUSE DATA FROM MAPS, IMAGES, TEXT AND OTHER SOURCES; VISUALIZE INFORMATION IN WAYS NOT PREVIOUSLY POSSIBLE; RAPIDLY PROCESS VAST AMOUNTS OF INFORMATION IN MULTIPLE LANGUAGES; MAKE SENSE OF SEEMINGLY UNCONNECTED INFORMATION; AND IDENTIFY THE MOST CRITICAL INTELLIGENCE FASTER AND MORE EFFECTIVELY.
2. ENGAGED WITH MORE THAN 120 COMMERCIAL COMPANIES,

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

MOST OF WHICH WERE PREVIOUSLY UNKNOWN TO THE GOVERNMENT, AND MORE THAN 15 UNIVERSITIES AND RESEARCH LABS, WHICH IN-Q-TEL IDENTIFIED THROUGH ITS COMMERCIAL AND ACADEMIC OUTREACH PROGRAMS AND BY REVIEWING MORE THAN 7,500 US AND INTERNATIONAL COMPANIES' BUSINESS PLANS.

3. CULTIVATED A NETWORK OF MORE THAN 200 VENTURE CAPITAL FIRMS, 100 LABS AND MANY RESEARCH ORGANIZATIONS, FURTHER BROADENING THE IC'S ACCESS TO INNOVATIVE TECHNOLOGIES.

4. LEVERAGED MORE THAN \$1.4 BILLION IN PRIVATE-SECTOR FUNDS TO SUPPORT TECHNOLOGY FOR THE CIA AND THE IC.

GOVERNANCE AND OVERSIGHT:

IN-Q-TEL IS BOUND BY A CHARTER AGREEMENT WITH THE CIA, WHICH SETS OUT THE RELATIONSHIP BETWEEN THE TWO ORGANIZATIONS, AND BY AN ANNUAL CONTRACT WITH THE CIA. IN-Q-TEL IS NOT PART OF THE CIA AND IS NOT A GOVERNMENT AGENCY.

THE COMPANY IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES COMPRISED OF OFFICIALS FROM THE DEFENSE AND INTELLIGENCE COMMUNITIES, CEOS OF MAJOR COMPANIES, UNIVERSITY LEADERS, AND LEADERS OF THE INVESTMENT INDUSTRY.

A GOVERNMENT CONTRACTOR OPERATING AS AN INDEPENDENT NONPROFIT CORPORATION, IN-Q-TEL RECEIVES REGULAR OVERSIGHT FROM THE CIA, WHICH KEEPS CONGRESS INFORMED OF THE COMPANY'S ACTIVITIES.

IN-Q-TEL HAS BEEN THE FOCUS OF A NUMBER OF THOUGHTFUL STUDIES THAT DESCRIBE AND SCRUTINIZE THE ORGANIZATION. TWO ARE CITED BELOW.

* BUSINESS EXECUTIVES FOR NATIONAL SECURITY (BENS) IN A REPORT TO CONGRESS, AN INDEPENDENT PANEL OF BUSINESS EXECUTIVES RECOMMENDED THAT IN-Q-TEL SERVE AS THE CIA'S "TECHNOLOGY ACCELERATOR." THE PANEL CONCLUDED THAT IN-Q-TEL HAS ACHIEVED SIGNIFICANT EARLY PROGRESS AND THAT "CREATING A MODEL LIKE IN-Q-TEL MAKES GOOD BUSINESS SENSE."

THE ASSESSMENT WAS MADE BY A PANEL FROM BENS, A NATIONAL, NON-PARTISAN, AND NOT-FOR-PROFIT ORGANIZATION OF BUSINESS LEADERS- 30 OF WHOM FORMED THE INDEPENDENT PANEL AFTER THE

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS
=====

CIA SELECTED BENS TO CONDUCT THE CONGRESSIONALLY MANDATED STUDY. THE REPORT, "ACCELERATING THE ACQUISITION AND IMPLEMENTATION OF NEW TECHNOLOGIES FOR INTELLIGENCE: THE REPORT OF THE INDEPENDENT PANEL ON THE CENTRAL INTELLIGENCE AGENCY IN-Q-TEL VENTURE," WAS SUBMITTED TO THE CIA AND CONGRESS.

JUNE 2001
SOURCE-BUSINESS EXECUTIVES FOR NATIONAL SECURITY
WWW.BENS.ORG

* HARVARD BUSINESS SCHOOL CASE STUDY

THIS HARVARD BUSINESS SCHOOL CASE STUDY PROVIDES BACKGROUND ABOUT IN-Q-TEL'S HISTORY AND STRATEGY, LAYING THE GROUNDWORK FOR IN-Q-TEL TO CONSIDER THE CASE FOR EXPANSION.

BY JOSH LERNER, FELDA HARDYMON, KEVIN BOOK, ANN LEAMON
FEBRUARY 12, 2004
SOURCE-HARVARD BUSINESS SCHOOL
[HTTP://HARVARDBUSINESSONLINE.HBSP.HARVARD.EDU/B02/EN/CASES/CASES_HOME.JHTML](http://harvardbusinessonline.hbsp.harvard.edu/b02/en/cases/cases_home.jhtml)

IN ADDITION, WE PARTICIPATE IN PERIODIC REVIEWS BY THE CIA'S INSPECTOR GENERAL'S OFFICE AND THE U.S. SENATE SELECT COMMITTEE ON INTELLIGENCE TO ASSESS THE EFFECTIVENESS OF TECHNOLOGY SOLUTIONS FROM OUR INVESTMENTS IN SOLVING CHALLENGING PROBLEMS IN THE INTELLIGENCE COMMUNITY.

FORM 990, PART IV - INVESTMENTS - OTHER SECURITIES

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DESCRIPTION	ENDING BOOK VALUE
-----	-----
PREFERRED STOCK	27,475,116.
COMMON STOCK	586,171.
WARRANTS - PREFERRED	7,315,406.
WARRANTS - COMMON	388,018.

TOTALS	35,764,711.
	=====

FORM 990, PART IV - INVESTMENTS - OTHER
=====

DESCRIPTION -----	ENDING BOOK VALUE -----
INVESTMENT IN IN-Q-TEL	
EMPLOYEE FUND, LLC	2,850,143.
CONVERTIBLE NOTE	1,685,252.

TOTALS	4,535,395.
	=====

FORM 990, PART IV - OTHER ASSETS
=====

DESCRIPTION -----	ENDING BOOK VALUE -----
AMOUNTS HELD IN ESCROW	697,665.
INTEREST RECEIVABLE	336,617.
TOTALS	----- 1,034,282. =====

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

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NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
-----	-----	-----
MULTI THREADED, INC. 950 HERNDON PARKWAY, STE 390 HERNDON, VA 20171	CONSULTING SERVICES	354,117.
ARNOLD & PORTER, LLP 555 12TH STREET NW, 8TH FLOOR WASHINGTON, DC 20004	LEGAL SERVICES	993,764.
PRICewaterhouseCOOPERS, LLP PO BOX 7247-8001 PHILADELPHIA, PA 19170	FINANCIAL SERVICES	596,086.
MERCER HUMAN RESOURCES CONSULTING PO BOX 905234 CHARLOTTE, NC 28290	CONSULTING SERVICES	305,415.
LMN SOLUTIONS, INC. 1600 TYSONS BLVD, 8TH FLOOR MCLEAN, VA 22102	CONSULTING SERVICES	650,274.
TOTAL COMPENSATION		----- 2,899,656. =====

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
NANOSYS, INC. 2625 HANOVER STREET PALO ALTO, CA 94304	TECH. DEVELOPMENT	1,975,000.
VECTRANT, INC. (FORMERLY FASTRAQ, INC.) 3028 STRATMOOR HILLS AVE HENDERSON, NV 89052	TECH. DEVELOPMENT	1,686,506.
MICROCHIP BIOTECHNOLOGIES, INC. 6693 SIERRA LANE, SUITE F DUBLIN, CA 94568	TECH. DEVELOPMENT	1,000,000.
TENXSYS INC. 408 SOUTH EAGLE ROAD, SUITE 201 EAGLE, ID 83616	TECH. DEVELOPMENT	1,026,486.
STREAMBASE SYSTEMS, INC. 181 SPRING ST LEXINGTON, MA 02421	TECH. DEVELOPMENT	979,949.
	TOTAL COMPENSATION	----- 6,667,941. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2A
=====

THE ORGANIZATION HAS ENTERED INTO SEVERAL CONTRACTS WITH OTHER ENTITIES WITH WHICH VARIOUS TRUSTEES AND EXECUTIVES ARE RELATED. IN COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY, SUCH TRUSTEES AND EXECUTIVES RECUSED THEMSELVES FROM DECISIONS CONCERNING ANY ENTITY WITH WHICH THEY ARE RELATED TO ENSURE THAT ALL CONTRACTS WERE NEGOTIATED ON AN ARM'S LENGTH BASIS AND APPROVED BY DISINTERESTED TRUSTEES.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C
=====

THE ORGANIZATION HAS ENTERED INTO SEVERAL CONTRACTS WITH OTHER ENTITIES WITH WHICH VARIOUS TRUSTEES AND EXECUTIVES ARE RELATED. IN COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY, SUCH TRUSTEES AND EXECUTIVES RECUSED THEMSELVES FROM DECISIONS CONCERNING ANY ENTITY WITH WHICH THEY ARE RELATED TO ENSURE THAT ALL CONTRACTS WERE NEGOTIATED ON AN ARM'S LENGTH BASIS AND APPROVED BY DISINTERESTED TRUSTEES.

FORM 990, PART V-A. CURRENT OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Name and Address	Title and average hours per week devoted to position	Wages	Bonus (1)	Employee Investment Program (1)	Trustee Fees (1)	Total	Contributions to Employee Benefit Plans & Deferred Compensation (1)	Expense Account and Other Allowances* Housing (2)	Contributions Directed Towards Charity (3)
C. Darby c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	President & CEO 40 Hrs/Wk	431,812	156,995	52,547	NONE	701,354	23,883	60,000	(41,879)
S. Bowsher c/o In-Q-Tel, Inc PO Box 749 Arlington VA 22216	EVP and Managing Partner 40 Hrs/Wk	375,963	103,169	49,289	NONE	528,442	20,787	NONE	NONE
B. Adams c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	EVP - Legal & General Counsel 40 Hrs/Wk	273,569	145,609	45,384	NONE	464,562	21,790	NONE	NONE
M. Strotman c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	EVP & CFO 40 Hrs/Wk	232,245	108,527	40,870	NONE	379,642	22,697	NONE	NONE
E. Poulos c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Chief of Staff 40 Hrs/Wk	207,585	78,569	35,031	NONE	322,185	20,080	NONE	NONE
T. Pearell c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	EVP Technology Transfer 40 Hrs/Wk	255,681	132,788	46,708	NONE	435,177	21,604	NONE	NONE
P. Casner c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	EVP - IC Support 40 Hrs/Wk	112,709	21,534	NONE	NONE	134,243	8,139	NONE	NONE
P. Kaminski c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee & Committee Chair Up to 150 Hrs/Quarter	NONE	NONE	NONE	37,500	37,500	NONE	NONE	NONE
M. Crow c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Chairman of the Board of Trustees & Committee Chair Up to 150 Hrs/Quarter	NONE	NONE	NONE	43,125	43,125	NONE	NONE	NONE
C. Boyd c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	35,000	35,000	NONE	NONE	NONE
J. Barksdale c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	35,000	35,000	NONE	NONE	NONE

IN-Q-TEL, INC
 FORM 990, PART V-A, CURRENT OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Name and Address	Title and average hours per week devoted to position	Wages	Bonus (1)	Employee Investment Program (1)	Trustee Fees (1)	Total	Contributions to Employee Benefit Plans & Deferred Compensation (1)	Expense Account and Other Allowances Housing (2)	Contributions Directed Towards Charity (3)
D. Jeremiah c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	35,000	35,000	NONE	NONE	NONE
A. Jones c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee & Committee Chair Up to 150 Hrs/Quarter	NONE	NONE	NONE	37,500	37,500	NONE	NONE	NONE
C. Vest c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	35,000	35,000	NONE	NONE	NONE
E. Pate-Cornell c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	35,000	35,000	NONE	NONE	NONE
P. Bams c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	35,000	35,000	NONE	NONE	NONE
J. Seely Brown c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter Resigned	NONE	NONE	NONE	8,750	8,750	NONE	NONE	NONE
H. Cox c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee & Committee Chair Up to 150 Hrs/Quarter	NONE	NONE	NONE	37,500	37,500	NONE	NONE	NONE
AB Krongard c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Trustee Up to 150 Hrs/Quarter	NONE	NONE	NONE	17,500	17,500	NONE	NONE	NONE
S. Yancey c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Former EVP Operations/ Left Position 08/07 40 Hrs/Wk	359,422	189,894	48,708	NONE	598,124	18,507	NONE	NONE
R. Wirt c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Former EVP and Chief Scientist/ Left Position 01/08 40 Hrs/Wk	322,508	91,984	37,817	NONE	452,307	10,031	NONE	NONE
Total		2,571,532	1,028,168	354,356	391,875	4,405,931	107,828	80,000	(41,878)

(1) See Statements 4 & 5
 (2) For living expenses incurred in support of In-Q-Tel's operations and are considered taxable compensation
 (3) These individuals have donated 100% of their interests in the Employee Investment Program to 501(c)(3) public charities

FORM 990, PART V-B, FORMER OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Name and Address
 J Dorman
 c/o In-Q-Tel, Inc.
 PO Box 749
 Arlington, VA 22216

Title and average hours per week devoted to position
 Former EVP
 40 Hrs/Wk during her IQT employment

Total

Wages	Bonus (1)	Employee Investment Program (1)	Total	Contributions to employee benefit plans & deferred compensation (1)	Expense account and other allowances
152,957	NONE	NONE	152,957	NONE	NONE
152,957	NONE	NONE	152,957	NONE	NONE

(1) See Statements 4 & 5

FORM 990, SCHEDULE A, PART 1, COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES OTHER THAN OFFICERS, DIRECTORS, AND TRUSTEES

<u>Name and Address</u>	<u>Title and average hours per week devoted to position</u>	<u>Wages</u>	<u>Bonus (1)</u>	<u>Long Term Investment Program (1)</u>	<u>Total</u>	<u>Contributions to employee benefit plans & deferred compensation (1)</u>	<u>Expense account and other allowances</u>
E Kaufmann c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Partner 40 Hrs/Wk	278,390	146,925	43,128	468,443	20,997	NONE
J Adiego c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Partner 40 Hrs/Wk	241,278	89,605	43,128	374,011	21,007	NONE
P Borberly c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	Partner 40 Hrs/Wk	252,998	65,266	41,021	359,286	20,263	NONE
C Cotell c/o In-Q-Tel, Inc PO Box 749 Arlington, VA 22216	VP 40 Hrs/Wk	229,461	83,764	35,031	348,257	15,969	NONE
K. von Eckartsberg c/o In-Q-Tel, Inc. PO Box 749 Arlington, VA 22216	VP Strategic Alliance - DIA/NGA 40 Hrs/Wk	224,461	85,543	35,031	345,035	21,906	NONE
	Total	1,226,589	471,103	197,340	1,895,032	100,141	NONE

(1) See Statements 4 & 5

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

File by the due date for filing your return. See instructions	Name of Exempt Organization IN-Q-TEL, INC.	Employer identification number 52-2149962
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 749	
	City, town or post office, state, and ZIP code For a foreign address, see instructions ARLINGTON, VA 22216	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ► THE ORGANIZATION

Telephone No. ► 703-248-3000 FAX No. ► _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until NOVEMBER 17, 2008, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20____ or
- tax year beginning APRIL 1, 2007, and ending MARCH 31, 2008.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	N/A
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	N/A
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. You must file original and one copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization IN-Q-TEL, INC.	Employer identification number 52-2149962
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 12407	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ARLINGTON, VA 22219	

Check type of return to be filed (File a separate application for each return):

- | | | | |
|--|---|--------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

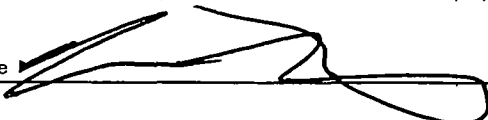
- The books are in the care of **THE ORGANIZATION**
Telephone No. 703-248-3000 FAX No.
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until FEBRUARY 15, 2009.
- For calendar year _____, or other tax year beginning APRIL 1, 2007, and ending MARCH 31, 2008.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension AWAITING INFORMATION FROM THIRD PARTIES WHICH IS NECESSARY TO PREAPRE AND COMPLETE AN ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$	N/A
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$	N/A
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$	N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  Title TAX DIRECTOR Date 11/11/08