

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)

Department of the Treasury
Internal Revenue Service

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

A For the 2010 calendar year, or tax year beginning 04/01, 2010, and ending 03/31, 20 11

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

C Name of organization IN-Q-TEL, INC.
Doing Business As
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 PO BOX 749
 City or town, state or country, and ZIP + 4
 ARLINGTON, VA 22216

D Employer identification number 52-2149962

E Telephone number (703) 248-3000

F Name and address of principal officer CHRISTOPHER DARBY
 PO BOX 749 ARLINGTON, VA 22216

G Gross receipts \$ 62,518,425.

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

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

J Website WWW.IQT.ORG

H(c) Group exemption number N/A

K Form of organization Corporation Trust Association Other

L Year of formation 1999 **M State of legal domicile** DE

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities IN-Q-TEL IDENTIFIES AND PARTNERS WITH COMPANIES TO HELP DELIVER SOLUTIONS TO THE CENTRAL INTELLIGENCE AGENCY AND THE BROADER U.S INTELLIGENCE COMMUNITY (IC) TO FURTHER THEIR MISSIONS.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	12.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11.
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	93.
	6 Total number of volunteers (estimate if necessary)	6	0.
	7a Total gross unrelated business revenue from Part VIII, column (A), line 12	7a	0.
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	56,418,127.	56,459,458.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10e, and 11e)	12,897,390.	-1,053,529.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	2,375,571.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	69,315,517.	57,781,500.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	19,111,160.	21,028,837.
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/>	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	0.	0.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	32,580,328.	25,184,257.
19 Revenue less expenses Subtract line 18 from line 12	51,691,488.	46,213,094.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	17,624,029.	11,568,406.
	21 Total liabilities (Part X, line 26)	Beginning of Current Year	End of Year
	22 Net assets or fund balances Subtract line 21 from line 20	142,917,973.	178,035,942.
		60,928,223.	78,163,904.
		81,989,750.	99,872,038.

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: *Matthew Strathman*
 Date: 2/14/12
 Type or print name and title: Matthew Strathman, CFO

Paid Preparer Use Only
 Print/Type preparer's name: TRAVIS L. PATTON
 Preparer's signature: *Travis L. Patton*
 Date: FEB 13 2012
 Check if self-employed:
 PTIN: P00369623
 Firm's name: PRICEWATERHOUSECOOPERS LLP
 Firm's EIN: 13-4008324
 Firm's address: 1301 K STREET NW, STE 800W WASHINGTON, DC 20005-3333
 Phone no: 202-414-1000

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

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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

IN-Q-TEL IDENTIFIES AND PARTNERS WITH COMPANIES DEVELOPING
CUTTING-EDGE TECHNOLOGIES TO HELP DELIVER THESE SOLUTIONS TO THE
CENTRAL INTELLIGENCE AGENCY AND THE BROADER U.S. INTELLIGENCE
COMMUNITY (IC) TO FURTHER THEIR MISSIONS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses \$ 36,439,946 including grants of \$ _____) (Revenue \$ _____)

ATTACHMENT 1

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

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

4d Other program services (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶** 36,439,946.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	X	
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		X
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		X
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 where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
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		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
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	X	
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		X
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	X	
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		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		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 X		X
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14 a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	X	
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		X
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		X
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)		X
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		X
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		X
20 a Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		X

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question number, Question text, and Yes/No response columns. Rows include questions 21 through 38 regarding grants, compensation, bond issues, and related organizations.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, description, and Yes/No boxes. Includes questions 1a-14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, and contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 [X]

Section A. Governing Body and Management

Table with 4 columns: Question, Line Number, Yes, No. Rows include questions about voting members, family/business relationships, management delegation, significant changes, asset diversion, members/stockholders, meeting documentation, and unreachable officers.

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

Table with 4 columns: Question, Line Number, Yes, No. Rows include questions about local chapters, written policies, Form 990 distribution, conflict of interest policies, whistleblower policy, document retention, compensation review, and joint venture investments.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA, MA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.

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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) C. DARBY PRESIDENT, CEO & TRUSTEE	40.00	X		X			943,527.	0	21,496.	
(2) M. CROW BOT CHAIR & COMMITTEE CHAIR	5.00	X					42,500.	0	0.	
(3) C. BOYD TRUSTEE	5.00	X					35,000.	0	0.	
(4) J. BARKSDALE TRUSTEE	5.00	X					35,000.	0	0.	
(5) D. JEREMIAH TRUSTEE	5.00	X					35,000.	0	0.	
(6) A. JONES TRUSTEE & COMMITTEE CHAIR	5.00	X					37,500.	0	0.	
(7) C. VEST TRUSTEE & COMMITTEE CHAIR	5.00	X					37,500.	0	0.	
(8) E. PATE-CORNELL TRUSTEE	5.00	X					35,000.	0	0.	
(9) P. BARRIS TRUSTEE	5.00	X					35,000.	0	0.	
(10) J. MISCIK TRUSTEE	5.00	X					35,000.	0	0.	
(11) H. COX TRUSTEE & COMMITTEE CHAIR	5.00	X					37,500.	0	0.	
(12) AB KONGARD TRUSTEE	5.00	X					0.	0	0.	
(13) S. BOWSHER EVP & MANAGING PARTNER	40.00			X			848,598.	0	21,496.	
(14) B. ADAMS EVP & GENERAL COUNSEL	40.00			X			465,685.	0	21,061.	
(15) M. STROTTMAN EVP & CFO	40.00			X			451,951.	0	21,496.	
(16) E. POULOS EVP & CHIEF OF STAFF	40.00			X			426,484.	0	10,655.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) B. GLEICHAUF EVP & CHIEF SCIENTIST	40.00			X				295,908.	0.	21,496.
(18) W. STRECKER EVP & CTO	40.00			X				371,968.	0.	18,915.
(19) E. KAUFMANN PARTNER	40.00					X		434,722.	0.	21,496.
(20) P. BORBERLY PARTNER	40.00					X		384,992.	0.	16,272.
(21) B. LEVITAN PARTNER	40.00					X		427,131.	0.	21,496.
(22) S. DAVIDSON PARTNER	40.00					X		344,108.	0.	20,765.
(23) M. BREIER PARTNER	40.00					X		387,827.	0.	21,496.
(24) T. PEARSALL FORMER EVP-TECHNOLOGY TRANSFER	20.00						X	263,915.	0.	19,060.
(25) P. CIGANER FORMER EVP-IC SUPPORT	40.00						X	301,700.	0.	12,063.
(26)										
(27)										
(28)										
1b Sub-total								6,713,516.	0.	269,263.
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								6,713,516.	0.	269,263.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **59**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **53**

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e	56,459,458		
	f All other contributions, gifts, grants, and similar amounts not included above	1f			
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f		56,459,458		
Program Service Revenue	2a _____	Business Code			
	b _____				
	c _____				
	d _____				
	e _____				
	f All other program service revenue				
	g Total. Add lines 2a-2f		0		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		485,391		485,391
	4 Income from investment of tax-exempt bond proceeds		0		0
	5 Royalties		2,375,571		2,375,571
		(i) Real (ii) Personal			
	6a Gross Rents				
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)		0		0
	7a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other			
		3,198,005 0			
	b Less cost or other basis and sales expenses		4,671,927 64,998		
	c Gain or (loss)		-1,473,922 -64,998		
	d Net gain or (loss)		-1,538,920		-1,538,920
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b Less direct expenses	b			
	c Net income or (loss) from fundraising events		0		0
	9a Gross income from gaming activities See Part IV, line 19	a			
b Less direct expenses	b				
c Net income or (loss) from gaming activities		0		0	
10a Gross sales of inventory, less returns and allowances	a				
b Less cost of goods sold	b				
c Net income or (loss) from sales of inventory		0		0	
Miscellaneous Revenue	Business Code				
11a _____					
b _____					
c _____					
d All other revenue					
e Total. Add lines 11a-11d		0			
12 Total revenue. See instructions		57,781,500	0	0	1,322,042

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	6,416,128.	4,115,274.	2,300,854.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	12,238,351.	9,141,804.	3,096,547.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0.			
9 Other employee benefits	1,647,211.	1,171,369.	475,842.	
10 Payroll taxes	727,147.	537,248.	189,899.	
11 Fees for services (non-employees)				
a Management	0.			
b Legal	642,277.	80,395.	561,882.	
c Accounting	217,601.		217,601.	
d Lobbying	0.			
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	348,240.	197,100.	151,140.	
12 Advertising and promotion	144,353.		144,353.	
13 Office expenses	557,711.	259,525.	298,186.	
14 Information technology	597,410.	569,189.	28,221.	
15 Royalties	0.			
16 Occupancy	1,910,941.	1,095,704.	815,237.	
17 Travel	1,219,424.	1,004,945.	214,479.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	532,950.	75,562.	457,388.	
20 Interest	0.			
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	792,779.	481,882.	310,897.	
23 Insurance	396,799.		396,799.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a <u>WORK PROGRAM FOR CIA AND IC</u>	17,491,389.	17,454,498.	36,891.	
b <u>RESEARCH MATERIALS</u>	111,984.	84,400.	27,584.	
c <u>DUES AND SUBSCRIPTIONS</u>	58,549.	18,204.	40,345.	
d <u>MISCELLANEOUS</u>	161,850.	152,847.	9,003.	
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	46,213,094.	36,439,946.	9,773,148.	0.
26 Joint Costs Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	70,926,508.	2	96,401,383.
	3 Pledges and grants receivable, net	20,621,191.	3	15,525,454.
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,366,912.	9	712,801.
	10 a Land, buildings, and equipment, cost or other basis Complete Part VI of Schedule D	10a 6,765,524.		
	b Less accumulated depreciation	10b 6,028,255.	1,451,007.	10c 737,269.
	11 Investments - publicly traded securities		11	945,417.
	12 Investments - other securities See Part IV, line 11	2,619,331.	12	2,881,642.
	13 Investments - program-related See Part IV, line 11	44,657,459.	13	59,728,322.
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	1,275,565.	15	1,103,654.
16 Total assets. Add lines 1 through 15 (must equal line 34)	142,917,973.	16	178,035,942.	
Liabilities	17 Accounts payable and accrued expenses	7,733,331.	17	10,195,539.
	18 Grants payable		18	
	19 Deferred revenue	53,194,892.	19	67,968,365.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	60,928,223.	26	78,163,904.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	81,989,750.	27	99,872,038.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	81,989,750.	33	99,872,038.	
34 Total liabilities and net assets/fund balances	142,917,973.	34	178,035,942.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	57,781,500.
2	Total expenses (must equal Part IX, column (A), line 25)	2	46,213,094.
3	Revenue less expenses Subtract line 2 from line 1	3	11,568,406.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	81,989,750.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	6,313,882.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	99,872,038.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990. <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	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	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form **990** (2010)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

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

IN-Q-TEL, INC.

Employer identification number

52-2149962

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

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

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See section 509(a)(4).
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

	Yes	No
11g(i)		
 - (ii) A family member of a person described in (i) above?

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

	Yes	No
11g(iii)		
- h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

Schedule A (Form 990 or 990-EZ) 2010

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

Table with 7 columns: (a) 2006, (b) 2007, (c) 2008, (d) 2009, (e) 2010, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2006, (b) 2007, (c) 2008, (d) 2009, (e) 2010, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) 98.66%; 15 Public support percentage from 2009 Schedule A, Part II, line 14 99.61%; 16a 33 1/3 % support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization [X]; 16b 33 1/3 % support test - 2009. 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 - 2010. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization; 17b 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

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

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

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

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

- 19 a 33 1/3 % support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here The organization qualifies as a publicly supported organization ▶
- b 33 1/3 % support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here The organization qualifies as a publicly supported organization ▶
- 20 Private foundation** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

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

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2010

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, 11, or 12. Attach to Form 990. See separate instructions.

Name of the organization

Employer identification number

IN-Q-TEL, INC.

52-2149962

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

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). 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. Table: Held at the End of the Tax Year. 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? 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year. 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year. 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (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 XIV, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1. (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1. b Assets included in Form 990, Part X.

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

Schedule D (Form 990) 2010

JSA 0E1268 1 000

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

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

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

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

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

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

b If "Yes," explain the arrangement in Part XI V and complete the following table

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21?

b If "Yes," explain the arrangement in Part XI V

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g

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

- a Board designated or quasi-endowment %, b Permanent endowment %, c Term endowment %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

Table with 3 columns: Description, Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations, 3b

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

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

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other, Total

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) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total (Column (b) must equal Form 990, Part X, col (B) line 12)		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) PREFERRED STOCK	42,520,025.	FMV
(2) COMMON STOCK	1,318,083.	FMV
(3) WARRANTS - PREFERRED	12,527,880.	FMV
(4) WARRANTS - COMMON	641,145.	FMV
(5) CONVERTIBLE NOTE	2,721,189.	FMV
(6)		
(7)		
(8)		
(9)		
(10)		
Total (Column (b) must equal Form 990, Part X, col (B) line 13)	59,728,322.	

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total (Column (b) must equal Form 990, Part X, col (B) line 15)	

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total (Column (b) must equal Form 990, Part X, col (B) line 25)	

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

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

Table with 10 rows for reconciliation of net assets. Line 1: Total revenue (57,781,500). Line 2: Total expenses (46,213,094). Line 3: Excess or (deficit) for the year (11,568,406). Line 4: Net unrealized gains (6,313,882). Line 9: Total adjustments (net) (6,313,882). Line 10: Excess or (deficit) for the year per audited financial statements (17,882,288).

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

Table with 5 main rows for revenue reconciliation. Line 1: Total revenue (64,095,382). Line 2: Amounts included on line 1 but not on Form 990. Line 3: Subtract line 2e from line 1 (57,781,500). Line 4: Amounts included on Form 990 but not on line 1. Line 5: Total revenue (57,781,500).

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

Table with 5 main rows for expense reconciliation. Line 1: Total expenses (46,213,094). Line 2: Amounts included on line 1 but not on Form 990. Line 3: Subtract line 2e from line 1 (46,213,094). Line 4: Amounts included on Form 990 but not on line 1. Line 5: Total expenses (46,213,094).

Part XIV Supplemental Information

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

Series of horizontal dashed lines provided for entering supplemental information.

Part XIV Supplemental Information *(continued)*

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
IN-Q-TEL, INC.

Employer identification number
52-2149962

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
(1) NORTH AMERICA	0	0	INVESTMENTS		800,000
(2) EUROPE	0	0	INVESTMENTS		260,206
(3) NORTH AMERICA	0	0	PROGRAM SERVICES	TECHNOLOGY DEVELOPMENT	842,400
(4) EUROPE	0	0	PROGRAM SERVICES	TECHNOLOGY DEVELOPMENT	431,246
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	0	0			2,333,852
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	0	0			2,333,852

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

Schedule F (Form 990) 2010

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

Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

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

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

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

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), 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)

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

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 type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input 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 on 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 organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input 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 from the organization or a related organization? **4a** Yes No
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** Yes No
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** Yes No
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

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

- a** The organization? **5a** Yes No
- b** Any related organization? **5b** Yes No
- If "Yes" to line 5a or 5b, describe in Part III

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

- a** The organization? **6a** Yes No
- b** Any related organization? **6b** Yes No
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7** Yes No

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8** Yes No

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9** Yes No

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

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

Schedule J (Form 990) 2010

Part III Supplemental Information

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

FORM 990, PART VII & SCHEDULE J, PART II

IN ADDITION TO C. DARBY'S RESPONSIBILITIES AS PRESIDENT AND CEO OF

IN-Q-TEL, MR. DARBY SERVES AS A TRUSTEE ON THE COMPANY'S BOARD OF

TRUSTEES. MR. DARBY HAS WAIVED ANY COMPENSATION RELATED TO HIS TRUSTEE

DUTIES AND HIS INCOME AS REPORTED IN THIS FORM IS ENTIRELY ATTRIBUTABLE

TO HIS DUTIES AS PRESIDENT AND CEO.

FORM 990, SCHEDULE J, LINE 4C

PLEASE REFER TO THE SCHEDULE O DISCLOSURE ON THE IN-Q-TEL EMPLOYEE FUND, LLC.

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 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

PART VI, LINE 11B

REVIEW OF FORM 990

THE FORM 990 WAS PREPARED BY THE COMPANY'S EXTERNAL TAX ADVISORY FIRM WITH THE ASSISTANCE OF IN-Q-TEL'S FINANCE AND LEGAL DEPARTMENTS. THE FORM 990 WAS ALSO REVIEWED BY CERTAIN MEMBERS OF THE COMPANY'S EXECUTIVE TEAM, INCLUDING THE CFO AND GENERAL COUNSEL. ADDITIONALLY, THE AUDIT AND ETHICS COMMITTEE OF THE BOARD OF TRUSTEES REVIEWED THE FORM 990 DURING ONE OF ITS QUARTERLY MEETINGS. AFTER REVIEW BY THE AUDIT AND ETHICS COMMITTEE, THE FORM 990 WAS DISTRIBUTED TO ALL MEMBERS OF THE BOARD OF TRUSTEES PRIOR TO BEING FILED.

PART VI, LINE 12C

CONFLICT OF INTEREST POLICY

FOR EVERY TRANSACTION SUBJECT TO BOARD/COMMITTEE APPROVAL, THE MEMBERS OF THE BOARD AND COMMITTEE ARE ASKED TO IDENTIFY ANY CONFLICTS. THE "DEAL TEAMS" ARE REQUIRED TO IDENTIFY CONFLICTS INVOLVING IQT OFFICERS OR EMPLOYEES IN TRANSACTIONS IN THE DOCUMENTS SUBMITTED FOR APPROVAL. ADDITIONALLY, EACH YEAR A QUESTIONNAIRE IS SENT TO IQT TRUSTEES, OFFICERS AND KEY EMPLOYEES ASKING FOR IDENTIFICATION OF CONFLICTS.

PART VI, LINE 13 & 14

IN-Q-TEL'S WHISTLEBLOWER AND DOCUMENT RETENTION POLICIES HAVE BEEN APPROVED INTERNALLY AND ARE IN THE IN-Q-TEL EMPLOYEE HANDBOOK. IN-Q-TEL INTENDS TO HAVE BOTH POLICIES APPROVED BY THE BOARD IN THE FUTURE.

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

PART VI, LINE 15A & 15B

COMPENSATION EXPLANATION

IN FORMULATING IQT'S COMPENSATION SYSTEM, THE BOARD OF TRUSTEES COMPLIES WITH ITS RESPONSIBILITIES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("CODE"), TO PAY REASONABLE COMPENSATION TO IQT'S EMPLOYEES AND TO AVOID ANY "EXCESS BENEFIT TRANSACTIONS" UNDER SECTION 4958 OF THE CODE. IN OVERSEEING IQT'S COMPENSATION SYSTEM, THE BOARD ADHERES TO THE FOLLOWING PRINCIPLES:

- THE COMPENSATION SYSTEM IS APPROVED BY THE BOARD OR A COMMITTEE OF THE BOARD COMPOSED ENTIRELY OF INDEPENDENT TRUSTEES WHO ARE NOT EMPLOYEES OF, OR INDEPENDENT CONTRACTORS TO, IQT AND WHO DO NOT HAVE A CONFLICT OF INTEREST WITH RESPECT TO ANYONE COVERED BY THESE POLICIES;
- THE BOARD, OR COMMITTEE THEREOF, OBTAINS AND RELIES UPON APPROPRIATE COMPENSATION DATA FROM COMPARABLE ENTITIES PRIOR TO MAKING COMPENSATION DETERMINATIONS; AND
- THE BOARD OR COMMITTEE ADEQUATELY DOCUMENTS THE BASIS FOR ITS DETERMINATION CONCURRENTLY WITH MAKING THAT DETERMINATION.

COMPENSATION COMMITTEE

AS SET FORTH IN ITS CHARTER, IQT'S HUMAN RESOURCES AND COMPENSATION COMMITTEE (THE "HR AND COMPENSATION COMMITTEE" OR "COMMITTEE") HAS BEEN CHARGED BY THE BOARD OF TRUSTEES TO ASSIST THE BOARD IN OVERSEEING IQT'S COMPENSATION SYSTEM. SPECIFICALLY, THE COMMITTEE PERFORMS THE FOLLOWING DUTIES:

Name of the organization
IN-Q-TEL, INC.

Employer identification number
52-2149962

- ENSURES THAT IQT'S COMPENSATION PROGRAM AND OTHER EMPLOYEE BENEFITS ARE COMPARABLE TO THE HIGH-TECH AND OTHER APPROPRIATE MARKETS.
- DETERMINES, WITH INPUT FROM THE CIA, AN OVERALL ANNUAL COMPANY "PERFORMANCE SCORE" THAT REFLECTS THE EXTENT AND MANNER IN WHICH IQT HAS BEEN SUCCESSFUL IN PURSUING ITS MISSION.
- CONDUCTS AN ANNUAL REVIEW OF THE CHIEF EXECUTIVE OFFICER'S ("CEO'S") PERFORMANCE, AND MAKES RECOMMENDATIONS TO THE BOARD OF TRUSTEES ON THE CEO'S COMPENSATION AND BENEFITS FOR THE NEXT YEAR.
- ON AN ANNUAL BASIS, REVIEW THE CEO'S RECOMMENDATIONS REGARDING THE COMPENSATION AND BENEFITS OF THE OTHER DISQUALIFIED PERSONS, AS DEFINED IN SECTION 4958 OF THE INTERNAL REVENUE CODE, AND DETERMINES THEIR COMPENSATION AND BENEFITS FOR THE NEXT YEAR.
- ON AN ANNUAL BASIS, REVIEWS THE DETERMINATION OF COMPENSATION AND BENEFITS OF THE OTHER EMPLOYEES MADE BY THE CEO OR THE CEO'S DESIGNEE.
- ENGAGES AN INDEPENDENT COMPENSATION CONSULTING FIRM TO PERFORM A PERIODIC STUDY OF IQT'S COMPENSATION PROGRAM AND ADMINISTRATION, OR PARTS THEREOF. (THIS STUDY INCLUDES, BUT IS NOT LIMITED TO, A REVIEW OF DATA THE COMPANY USED TO BENCHMARK POSITIONS, DOCUMENTATION OF BASE SALARY ADJUSTMENTS, AND ANNUAL INCENTIVE PLAN AWARDS.) FOLLOWING COMPLETION OF SUCH STUDY, THE COMPENSATION CONSULTING FIRM DELIVERS A REPORT TO THE COMPENSATION COMMITTEE DISCUSSING IQT'S ADHERENCE TO ITS COMPENSATION POLICIES.
- WORKS WITH IQT'S IN-HOUSE AND OUTSIDE COUNSEL TO ENSURE THAT IQT'S COMPENSATION STRUCTURE AND PLANS COMPLY WITH INTERNAL REVENUE CODE AND OTHER LEGAL REQUIREMENTS.

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

PART VI, LINE 19

DOCUMENTS AVAILABLE TO THE PUBLIC

IN-Q-TEL DOES NOT MAKE THIS INFORMATION AVAILABLE TO THE PUBLIC.

SCHEDULE R, PART V

EIP DISCLOSURE STATEMENT

IN-Q-TEL MAINTAINS AN INVESTMENT IN A SEPARATE RELATED ENTITY CALLED IN-Q-TEL EMPLOYEE FUND, LLC. THIS ENTITY WAS CREATED AS PART OF AN EMPLOYEE INCENTIVE PROGRAM (EIP) WHICH INVOLVED MAKING SIDE-BY-SIDE EQUITY INVESTMENTS WITH IN-Q-TEL. THE EIP WAS SUSPENDED IN JUNE 2007 AND NO FURTHER INVESTMENTS ARE BEING MADE.

PART XI, LINE 5

UNREALIZED GAINS ON INVESTMENTS: \$6,313,882

ATTACHMENT 1FORM 990, PART III - PROGRAM SERVICE, LINE 4A

IN-Q-TEL (IQT) WAS ESTABLISHED IN 1999 AS A PRIVATE, NOT-FOR-PROFIT COMPANY TO HELP THE CIA AND BROADER U.S. INTELLIGENCE COMMUNITY (IC) IDENTIFY, ADAPT, AND DELIVER CUTTING-EDGE TECHNOLOGIES THAT ADDRESS NATIONAL SECURITY NEEDS. IQT'S STRATEGIC INVESTMENT MODEL GIVES IT THE AGILITY - OFTEN LACKING WITHIN TRADITIONAL GOVERNMENT CONTRACTING APPROACHES - TO FIND AND NURTURE ENTREPRENEURS AND COMPANIES THAT CAN PROVIDE A SUPPLY CHAIN OF INNOVATION WHICH ENABLES THE IC TO BENEFIT FROM COMMERCIAL TECHNOLOGY ADVANCES.

Name of the organization

IN-Q-TEL, INC.

Employer identification number

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ATTACHMENT 1 (CONT'D)

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

APPROACH

IQT WORKS AS:

- * A STRATEGIC INVESTMENT FIRM, INVESTING IN COMPANIES AND HELPING NASCENT COMMERCIAL TECHNOLOGIES MATURE INTO COMMERCIAL-OFF-THE-SHELF (COTS) PRODUCTS THE GOVERNMENT CAN BUY AT LOWER COSTS THAN ALTERNATIVE APPROACHES;
- * A TECHNOLOGY ACCELERATOR, FOSTERING DEVELOPMENT AND INTRODUCTION OF TECHNOLOGIES NEEDED BY THE IC; AND
- * AN IDEA LAB AND FORUM FOR INNOVATION, PROVIDING THE IC WITH INSIGHT AND ACCESS TO BOTH NEW TECHNOLOGIES AND LEADING INNOVATORS AND THINKERS.

IDENTIFYING INNOVATIVE TECHNOLOGIES:

AS A STRATEGIC INVESTOR, IQT MAKES INVESTMENTS IN STARTUP COMPANIES THAT HAVE DEVELOPED COMMERCIALY-FOCUSED TECHNOLOGIES THAT WILL PROVIDE STRONG, NEAR-TERM ADVANTAGES (WITHIN 36 MONTHS) TO THE IC MISSION. IQT DESIGNS ITS STRATEGIC INVESTMENTS TO ACCELERATE PRODUCT DEVELOPMENT AND DELIVERY, AND SPECIFICALLY TO

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

ATTACHMENT 1 (CONT'D)

HELP COMPANIES ADD CAPABILITIES THAT ITS INTELLIGENCE COMMUNITY CUSTOMERS NEED. ADDITIONALLY, IQT EFFECTIVELY LEVERAGES ITS DIRECT INVESTMENTS BY ATTRACTING A SIGNIFICANT AMOUNT OF PRIVATE SECTOR FUNDS, OFTEN FROM TOP-TIER VENTURE CAPITAL FIRMS, TO CO-INVEST IN OUR PORTFOLIO COMPANIES. ON AVERAGE, FOR EVERY DOLLAR THAT IQT INVESTS IN A COMPANY, THE VENTURE CAPITAL COMMUNITY HAS INVESTED MORE THAN TEN DOLLARS, HELPING TO DELIVER CRUCIAL NEW CAPABILITIES AT LOWER COST TO THE GOVERNMENT.

IQT'S AREAS OF FOCUS ARE: INFORMATION AND COMMUNICATION TECHNOLOGIES AND PHYSICAL AND BIOLOGICAL TECHNOLOGIES.

BUILDING STRONG COMPANIES FOR STRONG TECHNOLOGIES:

USING PRODUCT DEVELOPMENT FUNDING AND EQUITY INVESTING, IQT CREATES INCENTIVES FOR COMPANIES TO PUT THEIR BEST TALENT INTO SOLVING THE TOUGHEST TECHNOLOGY PROBLEMS FACING THE CIA AND BROADER INTELLIGENCE COMMUNITY. ONCE AN INVESTMENT IS MADE, IQT WORKS WITH THE COMPANY AND THE CUSTOMER TO ADAPT THE TECHNOLOGY ACCORDING TO CUSTOMER NEED, AND FACILITATES SOLUTION DELIVERY. THE ADVANTAGES TO THE IC ARE SIGNIFICANT: LOWER INITIAL AND LONG-TERM COSTS, FASTER DEVELOPMENT, AND ONGOING PRODUCT ENHANCEMENTS TO MEET THE DEMANDS OF THE COMMERCIAL MARKET.

Name of the organization IN-Q-TEL, INC.	Employer identification number 52-2149962
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ATTACHMENT 1 (CONT'D)

SERVING NEW INTELLIGENCE COMMUNITY CUSTOMERS:

TODAY, IQT HAS EXPANDED ITS IC PARTNERSHIPS TO INCLUDE THE CIA, THE DEFENSE INTELLIGENCE AGENCY (DIA), THE DEPARTMENT OF HOMELAND SECURITY SCIENCE & TECHNOLOGY DIRECTORATE (DHS S&T), THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY (NGA), AND OTHERS.

PROGRAM SERVICE ACCOMPLISHMENTS:

IN FURTHERANCE OF ITS EXEMPT PURPOSES, IQT'S ACHIEVEMENTS SINCE INCEPTION IN 1999 THROUGH MARCH 31, 2011 INCLUDE THE FOLLOWING:

1. INVESTED IN MORE THAN 170 PORTFOLIO COMPANIES, MANY OF WHICH HAVE PRODUCED TECHNOLOGIES THAT HAVE CONTRIBUTED DIRECTLY TO IC MISSIONS. TECHNOLOGY DELIVERED BY IQT, 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 CRITICAL INTELLIGENCE FASTER AND MORE EFFECTIVELY.

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

Name of the organization IN-Q-TEL, INC.	Employer identification number 52-2149962
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ATTACHMENT 1 (CONT'D)

3. LEVERAGED MORE THAN \$3.5 BILLION IN PRIVATE-SECTOR FUNDS TO SUPPORT TECHNOLOGY FOR THE CIA AND THE IC.

GOVERNANCE AND OVERSIGHT:

IQT 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. IQT IS NOT PART OF THE CIA AND IS NOT A GOVERNMENT AGENCY.

THE COMPANY IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES COMPRISED OF FORMER OFFICIALS FROM THE DEFENSE AND INTELLIGENCE COMMUNITIES, AS WELL AS CEOS OF MAJOR COMPANIES, UNIVERSITY LEADERS, AND LEADERS IN THE INVESTMENT INDUSTRY. A GOVERNMENT CONTRACTOR OPERATING AS AN INDEPENDENT, NOT-FOR-PROFIT CORPORATION, IQT IS SUBJECT TO ONGOING OVERSIGHT FROM THE CIA AND OTHER US GOVERNMENT CLIENT AGENCIES, WHO KEEP CONGRESS INFORMED OF THE COMPANY'S ACTIVITIES.

IQT HAS BEEN THE FOCUS OF A NUMBER OF COMPREHENSIVE 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

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

ATTACHMENT 1 (CONT'D)

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 BUSINESS EXECUTIVES FOR NATIONAL SECURITY, A NATIONAL, NON-PARTISAN, AND NOT-FOR-PROFIT ORGANIZATION OF BUSINESS LEADERS - 30 OF WHOM FORMED THE INDEPENDENT PANEL AFTER THE 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

Name of the organization IN-Q-TEL, INC.	Employer identification number 52-2149962
--	--

ATTACHMENT 1 (CONT'D)

HTTP://HARVARDBUSINESSONLINE.HBSP.HARVARD.EDU/B02/EN/CASES
/CASES_HOME.JHTML

IN ADDITION, IQT PARTICIPATES IN PERIODIC REVIEWS BY THE INSPECTOR
GENERAL 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.

ATTACHMENT 2990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
LRI 1329 MOFFETT PARK DRIVE SUNNYVALE, CA 94089	TECH. DEVELOPMENT	1,644,969.
QD VISION 313 PLEASANT STREET WATERTOWN, MA 02472	TECH. DEVELOPMENT	1,475,000.
VERACODE 4 VAN DE GRAAF DRIVE BURLINGTON, MA 01803	TECH. DEVELOPMENT	1,078,285.
INNOCENTIVE 610 LINCOLN STREET WALTHAM, MA 02451	TECH. DEVELOPMENT	932,500.
GEO IQ (FKA FORTIUSONE) 2200 WILSON BOULEVARD ARLINGTON, VA 22201	TECH. DEVELOPMENT	897,000.
TOTAL COMPENSATION		<u>6,027,754.</u>

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization
IN-Q-TEL, INC.

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2010

Open to Public
Inspection

Employer identification number
52-2149962

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

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

Schedule R (Form 990) 2010

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Depreciable allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) IQT_EMP_L_FUND_LLC_54-2043626 PO BOX 749 ARLINGTON, VA 22216	INVESTMENTS	DE	N/A	EXCLUDED	18,072	1,822,629		X	0		X	32.9548
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

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

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

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)	X	
c Gift, grant, or capital contribution from other organization(s)		X
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)	X	
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses		X
p Reimbursement paid by other organization for expenses		X
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)		X

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

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on 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

	(a) Name, address and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
				Yes	No		Yes	No		Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

Part VII **Supplemental Information**

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

Application for Extension of Time To File an Exempt Organization Return

▶ **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.**

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

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.

Type or print	Name of exempt organization IN-Q-TEL, INC.	Employer identification number 52-2149962
File by the due date for filing your return. See instructions	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 22219	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• 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.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until NOVEMBER 15, 2011, 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, 2010, and ending MARCH 31, 2011.

2 If the tax year entered in line 1 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
3b 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.	3b	\$		N/A
3c Balance due. Subtract line 3b from line 3a. Include your payment with this form, 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

For Paperwork Reduction Act Notice, see 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. Only file the original (no copies needed).

Type or print	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	
File by the extended due date for filing your return See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ARLINGTON, VA 22219	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

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**, 20 **12**.
- For calendar year _____, or other tax year beginning **APRIL 1**, 20 **10**, and ending **MARCH 31**, 20 **11**.
- If the tax year entered in line 5 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 PREPARE A COMPLETE AND 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, 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 *Katherine D Walker* Title **TAX MANAGER** Date *11-15-2011*
Form **8868** (Rev 1-2011)