See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490
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)

A For the 2004 calendar year, or tax year beginning OCT 1, 2004 and ending SEP 30, 2005

B Check if applicable
   Address change:
   Name change:
   Initial return:
   Final return:
   Amended return:

C Name of organization
   AMERICAN COUNCIL ON EDUCATION
   ONE DUPONT CIRCLE, NW
   WASHINGTON, DC 20036
   53-0196573

D Employer identification number

E Telephone number
   202-939-9330

F Accounting method
   Cash (X) Accrual

G Website: WWW.ACENET.EDU

H Are you applicable to section 527 organizations?
   X Yes ( ) No ( )

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

H(b) If "Yes," enter number of affiliates:
   0

H(c) Are all affiliates included? (X) Yes ( ) No

H(d) Is this a separate return filed by an organization covered by a group ruling? ( ) Yes ( ) No

I Group Exemption Number:

J Organization type:
   501(c) ( ) 527 (X) 4947(a)(1) ( )
   501(c) (3) (X) (insert no.) 4947(a)(1) ( ) or 527 (X)

K Check here: ( ) if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12:
   44,523,475

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1 Contributions, gifts, grants, and similar amounts received:
   a Direct public support
   b Indirect public support
   c Government contributions (grants)
   d Total (add lines 1a through 1c) (cash $ 3,095,069. noncash $ 0 )

2 Program service revenue including government fees and contracts (from Part VII, line 93)

3 Membership dues and assessments

4 Interest on savings and temporary cash investments

5 Dividends and interest from securities

6a Gross rents
   SEE STATEMENT 1

   6a 506,013
   6b 506,748

7 Other investment income (describe):

8a Gross amount from sales of assets other than inventory:
   (A) Securities
   (B) Other

8b Less cost or other basis and sales expenses
   43,270

8c Gain or (loss) (attach schedule)
   43,270

8d Net gain or (loss) (combine line 8c, columns (A) and (B))
   <43,270>

9 Special events and activities (attach schedule) If any amount is from gaming, check here:

a Gross revenue (not including $ 0 of contributions
   reported on line 1a)

b Less direct expenses other than fundraising expenses
   9a

9c Net income or (loss) from special events (subtract line 9b from line 9a)

10a Gross sales of inventory, less returns and allowances
   1,465,229
   10b 960,846

10c Other revenue (from Part VII, line 103)
   504,383

11 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)
   1,816,721

12 Program services (from line 44, column (B))

13 Membership dues and assessments (from line 44, column (C))

14 Fundraising (from line 44, column (D))

15 Payments to affiliates (attach schedule)

16 Total expenses (sum of lines 12 through 15)

17 Net assets or fund balances at the beginning of year (from line 16 and line 144, column (A))

18 Gross (debit) for the year (subtract line 17 from line 12)

19 Net assets or fund balances at the beginning of year (from line 73, column (A))

20 Other changes in net assets or fund balances (attach explanation)

21 Net assets or fund balances at the end of year (combine lines 18, 19, and 20)
   30,296,059
### Part II: Statement of Functional Expenses

<table>
<thead>
<tr>
<th>(A) Total</th>
<th>(B) Program Services</th>
<th>(C) Management and general</th>
<th>(D) Fundraising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and allocations (attach schedule)</td>
<td>22</td>
<td>376,192</td>
<td>0</td>
</tr>
<tr>
<td>Specific assistance to individuals (attach schedule)</td>
<td>23</td>
<td>13,457,007</td>
<td>9,915,458</td>
</tr>
<tr>
<td>Benefits paid to or for members (attach schedule)</td>
<td>24</td>
<td>1,519,131</td>
<td>1,049,002</td>
</tr>
<tr>
<td>Compensation of officers, directors, etc</td>
<td>25</td>
<td>1,742,890</td>
<td>1,252,469</td>
</tr>
<tr>
<td>Other salaries and wages</td>
<td>26</td>
<td>1,058,239</td>
<td>758,532</td>
</tr>
<tr>
<td>Professional fundraising fees</td>
<td>30</td>
<td>121,846</td>
<td>121,846</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>31</td>
<td>373,423</td>
<td>248,374</td>
</tr>
<tr>
<td>Legal fees</td>
<td>32</td>
<td>77,017</td>
<td>76,217</td>
</tr>
<tr>
<td>Supplies</td>
<td>33</td>
<td>527,916</td>
<td>400,927</td>
</tr>
<tr>
<td>Telephone</td>
<td>34</td>
<td>327,896</td>
<td>308,767</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>35</td>
<td>1,304,540</td>
<td>1,206,390</td>
</tr>
<tr>
<td>Occupancy</td>
<td>36</td>
<td>330,430</td>
<td>154,150</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>37</td>
<td>2,022,082</td>
<td>1,960,666</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>38</td>
<td>1,575,927</td>
<td>1,463,404</td>
</tr>
<tr>
<td>Travel</td>
<td>39</td>
<td>1,419,835</td>
<td>1,345,646</td>
</tr>
<tr>
<td>Conferences, conventions, and meetings</td>
<td>40</td>
<td>258,128</td>
<td>258,128</td>
</tr>
<tr>
<td>Interest</td>
<td>41</td>
<td>1,911,545</td>
<td>698,789</td>
</tr>
<tr>
<td>Depreciation, depletion, etc (attach schedule)</td>
<td>42</td>
<td>43a</td>
<td>11,111,606</td>
</tr>
<tr>
<td>Other expenses not covered above (itemize)</td>
<td>43</td>
<td>43b</td>
<td>39,515,650</td>
</tr>
</tbody>
</table>

**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?  
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

What is the organization's primary exempt purpose? ➤ **SEE STATEMENT 7**

Program Service Expenses (Required for 501(c)(3) and 4947(a)(1) nonexempt charitable trusts but optional for others)

| Statement 11 (Grants and allocations $) | 3,432,140 |
| Statement 12 (Grants and allocations $) | 3,774,765 |
| Total of Program Service Expenses (should equal line 44, column (B), Program services) | 30,773,888 |

4/2/04

01-13-05

2004.08000 AMERICAN COUNCIL ON EDUCATION 132759_1
### Part IV Balance Sheets

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

<table>
<thead>
<tr>
<th></th>
<th>(A) Beginning of year</th>
<th>(B) End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Cash - non-interest-bearing</td>
<td>5,730,580</td>
</tr>
<tr>
<td>46</td>
<td>Savings and temporary cash investments</td>
<td></td>
</tr>
<tr>
<td>47a</td>
<td>Accounts receivable</td>
<td>5,750,054</td>
</tr>
<tr>
<td>47b</td>
<td>Less: allowance for doubtful accounts</td>
<td>199,318</td>
</tr>
<tr>
<td>48a</td>
<td>Pledges receivable</td>
<td></td>
</tr>
<tr>
<td>48b</td>
<td>Less: allowance for doubtful accounts</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Grants receivable</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Receivables from officers, directors, trustees, and key employees</td>
<td></td>
</tr>
<tr>
<td>51a</td>
<td>Other notes and loans receivable</td>
<td></td>
</tr>
<tr>
<td>51b</td>
<td>Less: allowance for doubtful accounts</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Inventories for sale or use</td>
<td>13,323,368</td>
</tr>
<tr>
<td>53</td>
<td>Prepaid expenses and deferred charges</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Investments - securities STMT 12</td>
<td>10,377,439</td>
</tr>
<tr>
<td>55a</td>
<td>Investments - land, buildings, and equipment, basis</td>
<td></td>
</tr>
<tr>
<td>55b</td>
<td>Less accumulated depreciation</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>Investments - other SEE STATEMENT 13</td>
<td>741,795</td>
</tr>
<tr>
<td>57a</td>
<td>Land, buildings, and equipment basis STA 14</td>
<td>27,403,074</td>
</tr>
<tr>
<td>57b</td>
<td>Less accumulated depreciation</td>
<td>17,892,890</td>
</tr>
<tr>
<td>58</td>
<td>Other assets (describe)</td>
<td>58</td>
</tr>
<tr>
<td>59</td>
<td>Total assets (add lines 45 through 58) (must equal line 74)</td>
<td>48,319,394</td>
</tr>
<tr>
<td>60</td>
<td>Accounts payable and accrued expenses</td>
<td>4,776,835</td>
</tr>
<tr>
<td>61</td>
<td>Grants payable</td>
<td>61</td>
</tr>
<tr>
<td>62</td>
<td>Deferred revenue</td>
<td>8,716,624</td>
</tr>
<tr>
<td>63</td>
<td>Loans from officers, directors, trustees, and key employees</td>
<td>63</td>
</tr>
<tr>
<td>64a</td>
<td>Tax-exempt bond liabilities STMT 15</td>
<td>5,744,176</td>
</tr>
<tr>
<td>64b</td>
<td>Mortgages and other notes payable</td>
<td>64b</td>
</tr>
<tr>
<td>65</td>
<td>Other liabilities (describe) SEE STATEMENT 16</td>
<td>3,352,492</td>
</tr>
<tr>
<td>66</td>
<td>Total liabilities (add lines 60 through 65)</td>
<td>22,590,127</td>
</tr>
</tbody>
</table>

**Organizations that follow SFAS 117, check here ▶ and complete lines 67 through 69 and lines 73 and 74:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>Unrestricted</td>
</tr>
<tr>
<td>68</td>
<td>Temporarily restricted</td>
</tr>
<tr>
<td>69</td>
<td>Permanently restricted</td>
</tr>
</tbody>
</table>

**Net Assets or Fund Balances:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>Capital, stock, trust principal, or current funds</td>
</tr>
<tr>
<td>71</td>
<td>Paid-in or capital surplus, or land, building, and equipment fund</td>
</tr>
<tr>
<td>72</td>
<td>Retained earnings, endowment, accumulated income, or other funds</td>
</tr>
<tr>
<td>73</td>
<td>Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21)</td>
</tr>
<tr>
<td>74</td>
<td>Total liabilities and net assets / fund balances (add lines 66 and 73)</td>
</tr>
</tbody>
</table>

---

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.
**Part IV - Reconciliation of Revenue per Audited Financial Statements with Revenue per Return**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amounts</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Total revenue, gains, and other support per audited financial statements</td>
<td>$45,575,036</td>
</tr>
<tr>
<td>b</td>
<td>Amounts included on line a but not on line 12, Form 990</td>
<td></td>
</tr>
<tr>
<td>(1) Net unrealized gains on investments</td>
<td>$1,069,831</td>
<td></td>
</tr>
<tr>
<td>(2) Donated services and use of facilities</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>(3) Recoveries of prior year grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Other (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add amounts on lines (1) through (4)</td>
<td>$1,094,831</td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Line a minus line b</td>
<td>$44,480,205</td>
</tr>
<tr>
<td>d</td>
<td>Amounts included on line 12, Form 990 but not on line a:</td>
<td></td>
</tr>
<tr>
<td>(1) Investment expenses not included on line 6b, Form 990</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Other (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STMT 17 $&lt;1,467,594.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add amounts on lines (1) and (2)</td>
<td>$&lt;1,467,594.</td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Total revenue per line 12, Form 990 (line c plus line d)</td>
<td>$43,012,611</td>
</tr>
</tbody>
</table>

**Part V - List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)**

<table>
<thead>
<tr>
<th>Name and address</th>
<th>Title and average hours per week devoted to position</th>
<th>Compensation (if not paid, enter 0)</th>
<th>Contributions to employees benefit plans &amp; deferred compensation</th>
<th>Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAVID WARD</td>
<td>PRESIDENT</td>
<td>35+</td>
<td>376,192.117,898.</td>
<td>0.</td>
</tr>
<tr>
<td>ONE DUPONT CIRCLE, NW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WASHINGTON, DC 20036</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? If "Yes," attach schedule.**

[ ] Yes [x] No
Form 990 (2004)  
Other Information

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity

77 Were any changes made in the organizing or governing documents but not reported to the IRS?

78a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?  
   b If "Yes," has it filed a tax return on Form 990-T for this year?  

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?  
   b If "Yes," attach a statement

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?  
   b If "Yes," enter the name of the organization ▶  
   and check whether it is □ exempt or □ nonexempt

81a Enter direct or indirect political expenditures See line 81 instructions

81b Did the organization file Form 1120-POL for this year?

82a 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?  
   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)

83a Did the organization comply with the public inspection requirements for returns and exemption applications?  
   b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

84a 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?

85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?  
   b Did the organization make only in-house lobbying expenditures of $2,000 or less?

86 501(c)(7) organizations. Enter a initiation fees and capital contributions included on line 12  
   b Gross receipts, included on line 12, for public use of club facilities

87 501(c)(12) organizations. Enter a Gross income from members or shareholders  
   b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)

88 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?  
   b If "Yes," complete Part IX

89a 501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911  
   b 501(c)(3) and 501(c)(4) organizations. 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?  
   c Enter: Amount of tax imposed on the organization managers or disqualified persons during the years under sections 4912, 4955, and 4958

90a List the states with which a copy of this return is filed ▶  
   b Number of employees employed in the pay period that includes March 12, 2004

91 The books are in care of ▶  
   Telephone no ▶  

Located at ▶  
   Telephone no ▶  

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 ▶  

429041  
01-12-06  
5
### Part VII: Analysis of Income-Producing Activities

(See page 33 of the instructions.)

<table>
<thead>
<tr>
<th>(A) Business code</th>
<th>(B) Amount</th>
<th>(C) Exclusion code</th>
<th>(D) Amount</th>
<th>(E) Related or exempt function income</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTS &amp; GRANTS FOR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESEARCH SERVICES</td>
<td></td>
<td></td>
<td></td>
<td>14,353,807.</td>
</tr>
<tr>
<td>FURNISHED FACILITIES</td>
<td></td>
<td></td>
<td></td>
<td>2,796,029.</td>
</tr>
<tr>
<td>FEES FOR TESTS AND SVCS</td>
<td></td>
<td></td>
<td></td>
<td>14,786,235.</td>
</tr>
<tr>
<td>Medicare/Medicaid payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and contracts from government agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues and assessments</td>
<td></td>
<td></td>
<td></td>
<td>5,061,649.</td>
</tr>
<tr>
<td>Interest on savings and temporary cash investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest from securities</td>
<td></td>
<td></td>
<td>14</td>
<td>642,723.</td>
</tr>
<tr>
<td>Net rental income or (loss) from real estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>debt-financed property</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>not debt-financed property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net rental income or (loss) from personal property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain or (loss) from sales of assets</td>
<td></td>
<td></td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>other than inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income or (loss) from special events</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross profit or (loss) from sales of inventory</td>
<td></td>
<td></td>
<td></td>
<td>504,383.</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADVERTISING INCOME</td>
<td>900004</td>
<td>31,371.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>XEROX AND PRINTING SVCS</td>
<td>900004</td>
<td>201,241.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROYALTY</td>
<td></td>
<td></td>
<td>15</td>
<td>1,273,955.</td>
</tr>
<tr>
<td>OTHER INCOME</td>
<td></td>
<td></td>
<td></td>
<td>310,154.</td>
</tr>
<tr>
<td>Subtotal (add columns (B), (D), and (E))</td>
<td></td>
<td></td>
<td></td>
<td>232,612.</td>
</tr>
<tr>
<td>Total (add line 104, columns (B), (D), and (E))</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Line 105 plus line 14, Part I, should equal the amount on line 12, Part I.

### Part VIII: Relationship of Activities to the Accomplishment of Exempt Purposes

(See page 34 of the instructions)

- 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.

**SEE STATEMENT 19**

### Part IX: Information Regarding Taxable Subsidiaries and Disregarded Entities

(See page 34 of the instructions)

<table>
<thead>
<tr>
<th>(A) Name, address, and EIN of corporation, partnership, or disregarded entity</th>
<th>(B) Percentage of ownership interest</th>
<th>(C) Nature of activities</th>
<th>(D) Total income</th>
<th>(E) End-of-year assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

### Part X: Information Regarding Transfers Associated with Personal Benefit Contracts

(See page 34 of 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 a "Yes" to (a), file Form 926 and Form 4720 (see instructions).

**Signature of officer**

**Type of print name and title**

**Paid Preparer's Signature**

**Preparer's EIN**

**Preparer's address**

**Preparer's phone number**

**Preparer's State**

Form 990 (2004)
### Part I  Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

<table>
<thead>
<tr>
<th>Name and address of each employee paid more than $50,000</th>
<th>Title and average hours per week devoted to position</th>
<th>Compensation (including $5,000 in employee benefits plans and deferred compensation)</th>
<th>Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICHAEL BAER, SENIOR VP</td>
<td>35+</td>
<td>238,090. 74,617.</td>
<td>0.</td>
</tr>
<tr>
<td>ONE DUPONT CIRCLE, NW. WASHINGTON, DC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TERRY HARTLE, SENIOR VP</td>
<td>35+</td>
<td>210,700. 105,435.</td>
<td>0.</td>
</tr>
<tr>
<td>ONE DUPONT CIRCLE, NW. WASHINGTON, DC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BENJAMIN QUILLIAN, SENIOR VP</td>
<td>35+</td>
<td>240,700. 75,435.</td>
<td>0.</td>
</tr>
<tr>
<td>ONE DUPONT CIRCLE, NW. WASHINGTON, DC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLARE VAN UMMERSEN, VP, OWHE</td>
<td>35+</td>
<td>202,690. 63,523.</td>
<td>0.</td>
</tr>
<tr>
<td>ONE DUPONT CIRCLE, NW. WASHINGTON, DC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JOAN AUCHTER, EX. DIR. GED</td>
<td>35+</td>
<td>185,387. 58,100.</td>
<td>0.</td>
</tr>
<tr>
<td>ONE DUPONT CIRCLE, NW. WASHINGTON, DC</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total number of other employees paid over $50,000: 100

### Part II  Compensation of the Five Highest Paid Independent Contractors for Professional Services

<table>
<thead>
<tr>
<th>Name and address of each independent contractor paid more than $50,000</th>
<th>Type of service</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIRIAM A. KAZANJIAN, 10758 BREWER HOUSE RD., NORTH BETHESDA, MD 20852</td>
<td>CONSULTING</td>
<td>115,300.</td>
</tr>
<tr>
<td>DLA PIPER RUDNICK GRAY CARY US LLP</td>
<td></td>
<td>226,250.</td>
</tr>
<tr>
<td>203 N. LASALLE ST. STE 1900, BETHESDA, MD</td>
<td>LEGAL</td>
<td>176,666.</td>
</tr>
<tr>
<td>JANE V. WELLMAN, 5013 ELM STREET, BETHESDA, MD 20814</td>
<td>CONSULTING</td>
<td>88,845.</td>
</tr>
<tr>
<td>ELVIN LONG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P.O. BOX 153, DEADWOOD, SD 57732</td>
<td>CONSULTING</td>
<td>92,045.</td>
</tr>
<tr>
<td>DECISION/ANALYSIS, LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2740 CHAIN BRIDGE RD., VIENNA, VA 22181</td>
<td>CONSULTING</td>
<td>88,845.</td>
</tr>
</tbody>
</table>

Total number of others receiving over $50,000 for professional services: 7
### Part III Statements About Activities

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: $451,621.

   - Yes: $451,621
   - No: 

   (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

   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? X
   b. Lending of money or other extension of credit? X
   c. Furnishing of goods, services, or facilities? X
   d. Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V, FORM 990 X
   e. Transfer of any part of its income or assets? X

3. a. Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) X
   b. Do you have a section 403(b) annuity plan for your employees? X

4. a. Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? X
   b. Do you provide credit counseling, debt management, credit repair, or debt negotiation services? X

### Part IV Reason for Non-Private Foundation Status

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) X
- 6. A school. Section 170(b)(1)(A)(iv) (Also complete Part V.)
- 9. A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iv). 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)(v) (Also complete the Support Schedule in Part IV-A).
- 12. X 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. X An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3). Provide the following information about the supported organizations. (See page 5 of the instructions.)

<table>
<thead>
<tr>
<th>(a) Name(s) of supported organization(s)</th>
<th>(b) Line number from above</th>
</tr>
</thead>
</table>

- 14. X An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)
<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2003</th>
<th>(b) 2002</th>
<th>(c) 2001</th>
<th>(d) 2000</th>
<th>(e) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Gifts, grants, and contributions received (Do not include unusual grants See line 28.)</td>
<td>2,654,225.</td>
<td>3,564,808.</td>
<td>1,848,241.</td>
<td>918,810.</td>
<td>8,986,084.</td>
</tr>
<tr>
<td>16 Membership fees received</td>
<td>5,009,957.</td>
<td>4,873,894.</td>
<td>4,738,928.</td>
<td>4,540,042.</td>
<td>19,162,821.</td>
</tr>
<tr>
<td>17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization’s charitable, etc., purpose</td>
<td>31,918,138.</td>
<td>30,620,196.</td>
<td>26,940,857.</td>
<td>22,049,467.</td>
<td>111,528,658.</td>
</tr>
<tr>
<td>18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975</td>
<td>1,935,028.</td>
<td>159,111.</td>
<td>308,266.</td>
<td>690,278.</td>
<td>3,092,683.</td>
</tr>
<tr>
<td>19 Net income from unrelated business activities not included in line 18</td>
<td>&lt;7,116.&gt;</td>
<td>&lt;4,815.&gt;</td>
<td>&lt;16,848.&gt;</td>
<td>&lt;23,902.&gt;</td>
<td>&lt;52,681.&gt;</td>
</tr>
<tr>
<td>20 Tax revenues levied for the organization’s benefit and either paid to it or expended on its behalf</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 Line 23 minus line 17</td>
<td>9,592,094.</td>
<td>8,592,998.</td>
<td>6,878,587.</td>
<td>6,125,228.</td>
<td>31,188,907.</td>
</tr>
<tr>
<td>25 Enter 1% of line 23</td>
<td>415,102.</td>
<td>392,132.</td>
<td>338,194.</td>
<td>281,747.</td>
<td></td>
</tr>
</tbody>
</table>

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 |
 b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts |
 c Total support for section 509(a)(1) test Enter line 24, column (e) |
 d Add: Amounts from column (e) for lines 18-22 |
 e Public support (line 26c minus line 26d total) |
 f Public support percentage (line 26e numerator) divided by line 26e (denominator) |

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year |
 b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) $5,000 (include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year |
 c Add: Amounts from column (e) for lines 18-22 |
 d Add Line 27a total and line 27b total |
 e Public support (line 27c total minus line 27d total) |
 f Total support for section 509(a)(2) test Enter amount on line 23, column (e) |
 g Public support percentage (line 27e numerator) divided by line 27f (denominator) |
 h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator) }

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

NONE
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Does the organization have a racially nondiscriminatory policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>toward students by statement in its charter, bylaws, other governing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>instrument, or in a resolution of its governing body?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 Does the organization include a statement of its racially nondiscrimi-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>natory policy toward students in all its brochures, catalogues,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and other written communications with the public dealing with student</td>
<td></td>
<td></td>
</tr>
<tr>
<td>admissions, programs, and scholarships?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 Has the organization publicized its racially nondiscriminatory policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>through newspaper or broadcast media during the period of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>solicitation for students, or during the registration period if it has</td>
<td></td>
<td></td>
</tr>
<tr>
<td>no solicitation program, in a way that makes the policy known to all</td>
<td></td>
<td></td>
</tr>
<tr>
<td>parts of the general community it serves?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If &quot;Yes,&quot; please describe, if &quot;No,&quot; please explain (if you need more</td>
<td></td>
<td></td>
</tr>
<tr>
<td>space, attach a separate statement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32 Does the organization maintain the following.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Records indicating the racial composition of the student body, faculty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and administrative staff?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Records documenting that scholarships and other financial assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>are awarded on a racially nondiscriminatory basis?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Copies of all catalogues, brochures, announcements, and other written</td>
<td></td>
<td></td>
</tr>
<tr>
<td>communications to the public dealing with student admissions, programs,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and scholarships?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Copies of all material used by the organization or on its behalf to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>solicit contributions?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you answered &quot;No&quot; to any of the above, please explain (If you need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>more space, attach a separate statement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33 Does the organization discriminate by race in any way with respect to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Students' rights or privileges?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Admissions policies?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Employment of faculty or administrative staff?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Scholarships or other financial assistance?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Educational policies?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f Use of facilities?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>g Athletic programs?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>h Other extracurricular activities?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you answered &quot;Yes&quot; to any of the above, please explain. (If you need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>more space, attach a separate statement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34 a Does the organization receive any financial aid or assistance from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a governmental agency?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Has the organization's right to such aid ever been revoked or suspended?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you answered &quot;Yes&quot; to either 34a or b, please explain using an</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attached statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35 Does the organization certify that it has complied with the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975-2 C.B 587, covering racial nondiscrimination? If &quot;No,&quot; attach an</td>
<td></td>
<td></td>
</tr>
<tr>
<td>explanation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Part VI-A: Lobbying Expenditures by Electing Public Charities

(See page 9 of the instructions)

(To be completed ONLY by an eligible organization that filed Form 5768)

<table>
<thead>
<tr>
<th>Limits on Lobbying Expenditures</th>
<th>(a) Affiliated group totals</th>
<th>(b) To be completed for ALL elective organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>36 Total lobbying expenditures to influence public opinion (grassroots lobbying)</td>
<td>N/A</td>
<td>0.</td>
</tr>
<tr>
<td>37 Total lobbying expenditures to influence a legislative body (direct lobbying)</td>
<td>451,621.</td>
<td></td>
</tr>
<tr>
<td>38 Total lobbying expenditures (add lines 36 and 37)</td>
<td>451,621.</td>
<td></td>
</tr>
<tr>
<td>39 Other exempt purpose expenditures</td>
<td>30,322,267.</td>
<td></td>
</tr>
<tr>
<td>40 Total exempt purpose expenditures (add lines 38 and 39)</td>
<td>30,773,888.</td>
<td></td>
</tr>
<tr>
<td>41 Lobbying nontaxable amount Enter the amount from the following table</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the amount on line 40 is -</td>
<td>The lobbying nontaxable amount is -</td>
<td></td>
</tr>
<tr>
<td>Not over $500,000</td>
<td>20% of the amount on line 40</td>
<td>1,000,000.</td>
</tr>
<tr>
<td>Over $500,000 but not over $1,000,000</td>
<td>$100,000 plus 15% of the excess over $500,000</td>
<td></td>
</tr>
<tr>
<td>Over $1,000,000 but not over $1,500,000</td>
<td>$175,000 plus 10% of the excess over $1,000,000</td>
<td></td>
</tr>
<tr>
<td>Over $1,500,000 but not over $17,000,000</td>
<td>$225,000 plus 5% of the excess over $1,500,000</td>
<td>250,000.</td>
</tr>
<tr>
<td>Over $17,000,000</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>42 Grassroots nontaxable amount (enter 25% of line 41)</td>
<td>250,000.</td>
<td></td>
</tr>
<tr>
<td>43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36</td>
<td>0.</td>
<td></td>
</tr>
<tr>
<td>44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38</td>
<td>0.</td>
<td></td>
</tr>
</tbody>
</table>

**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 46 through 50 on page 11 of the instructions)

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2004</th>
<th>(b) 2003</th>
<th>(c) 2002</th>
<th>(d) 2001</th>
<th>(e) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 Lobbying nontaxable amount</td>
<td>1,000,000.</td>
<td>1,000,000.</td>
<td>1,000,000.</td>
<td>1,000,000.</td>
<td>4,000,000.</td>
</tr>
<tr>
<td>46 Lobbying ceiling amount (150% of line 45(e))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,000,000.</td>
</tr>
<tr>
<td>47 Total lobbying expenditures</td>
<td>451,621.</td>
<td>286,593.</td>
<td>204,696.</td>
<td>234,425.</td>
<td>1,177,335.</td>
</tr>
<tr>
<td>48 Grassroots nontaxable amount</td>
<td>250,000.</td>
<td>250,000.</td>
<td>250,000.</td>
<td>250,000.</td>
<td>1,000,000.</td>
</tr>
<tr>
<td>49 Grassroots ceiling amount (150% of line 48(e))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,500,000.</td>
</tr>
<tr>
<td>50 Grassroots lobbying expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.</td>
</tr>
</tbody>
</table>

### Part VI-B: Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Volunteers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Paid staff or management (include compensation in expenses reported on lines c through h.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Media advertisements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Mailings to members, legislators, or the public</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Publications, or published or broadcast statements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f Grants to other organizations for lobbying purposes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g Direct contact with legislators, their staffs, government officials, or a legislative body</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h Railies, demonstrations, seminars, conventions, speeches, lectures, or any other means</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i Total lobbying expenditures (Add lines c through h.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If &quot;Yes&quot; to any of the above, also attach a statement giving a detailed description of the lobbying activities</td>
<td></td>
<td></td>
<td>0.</td>
</tr>
</tbody>
</table>

---

Schedule A (Form 990 or 990-EZ) 2004

AMERICAN COUNCIL ON EDUCATION

Page 6

53-0196573

Part VI-A: Lobbying Expenditures by Electing Public Charities

(To be completed ONLY by an eligible organization that filed Form 5768)

Check □ if the organization belongs to an affiliated group

Check □ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

<table>
<thead>
<tr>
<th>Limits on Lobbying Expenditures</th>
<th>(a) Affiliated group totals</th>
<th>(b) To be completed for ALL elective organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>36 Total lobbying expenditures to influence public opinion (grassroots lobbying)</td>
<td>N/A</td>
<td>0.</td>
</tr>
<tr>
<td>37 Total lobbying expenditures to influence a legislative body (direct lobbying)</td>
<td>451,621.</td>
<td></td>
</tr>
<tr>
<td>38 Total lobbying expenditures (add lines 36 and 37)</td>
<td>451,621.</td>
<td></td>
</tr>
<tr>
<td>39 Other exempt purpose expenditures</td>
<td>30,322,267.</td>
<td></td>
</tr>
<tr>
<td>40 Total exempt purpose expenditures (add lines 38 and 39)</td>
<td>30,773,888.</td>
<td></td>
</tr>
<tr>
<td>41 Lobbying nontaxable amount Enter the amount from the following table</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the amount on line 40 is -</td>
<td>The lobbying nontaxable amount is -</td>
<td></td>
</tr>
<tr>
<td>Not over $500,000</td>
<td>20% of the amount on line 40</td>
<td>1,000,000.</td>
</tr>
<tr>
<td>Over $500,000 but not over $1,000,000</td>
<td>$100,000 plus 15% of the excess over $500,000</td>
<td></td>
</tr>
<tr>
<td>Over $1,000,000 but not over $1,500,000</td>
<td>$175,000 plus 10% of the excess over $1,000,000</td>
<td></td>
</tr>
<tr>
<td>Over $1,500,000 but not over $17,000,000</td>
<td>$225,000 plus 5% of the excess over $1,500,000</td>
<td>250,000.</td>
</tr>
<tr>
<td>Over $17,000,000</td>
<td>$1,000,000</td>
<td></td>
</tr>
<tr>
<td>42 Grassroots nontaxable amount (enter 25% of line 41)</td>
<td>250,000.</td>
<td></td>
</tr>
<tr>
<td>43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36</td>
<td>0.</td>
<td></td>
</tr>
<tr>
<td>44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38</td>
<td>0.</td>
<td></td>
</tr>
</tbody>
</table>

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 46 through 50 on page 11 of the instructions)

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2004</th>
<th>(b) 2003</th>
<th>(c) 2002</th>
<th>(d) 2001</th>
<th>(e) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 Lobbying nontaxable amount</td>
<td>1,000,000.</td>
<td>1,000,000.</td>
<td>1,000,000.</td>
<td>1,000,000.</td>
<td>4,000,000.</td>
</tr>
<tr>
<td>46 Lobbying ceiling amount (150% of line 45(e))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,000,000.</td>
</tr>
<tr>
<td>47 Total lobbying expenditures</td>
<td>451,621.</td>
<td>286,593.</td>
<td>204,696.</td>
<td>234,425.</td>
<td>1,177,335.</td>
</tr>
<tr>
<td>48 Grassroots nontaxable amount</td>
<td>250,000.</td>
<td>250,000.</td>
<td>250,000.</td>
<td>250,000.</td>
<td>1,000,000.</td>
</tr>
<tr>
<td>49 Grassroots ceiling amount (150% of line 48(e))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,500,000.</td>
</tr>
<tr>
<td>50 Grassroots lobbying expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.</td>
</tr>
</tbody>
</table>

Part VI-B: Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Paid staff or management (include compensation in expenses reported on lines c through h.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Media advertisements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Mailings to members, legislators, or the public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Publications, or published or broadcast statements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f Grants to other organizations for lobbying purposes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>g Direct contact with legislators, their staffs, government officials, or a legislative body</td>
<td></td>
<td></td>
</tr>
<tr>
<td>h Railies, demonstrations, seminars, conventions, speeches, lectures, or any other means</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i Total lobbying expenditures (Add lines c through h.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Transfers from the reporting organization to a noncharitable exempt organization of</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) Cash</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ii) Other assets</td>
<td></td>
</tr>
<tr>
<td>b Other transactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) Sales or exchanges of assets with a noncharitable exempt organization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ii) Purchases of assets from a noncharitable exempt organization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iii) Rental of facilities, equipment, or other assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iv) Reimbursement arrangements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(v) Loans or loan guarantees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(vi) Performance of services or membership or fundraising solicitations</td>
<td></td>
</tr>
<tr>
<td>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>d If the answer to any of the above is &quot;Yes,&quot; 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.</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line no</th>
<th>Amount involved</th>
<th>Name of noncharitable exempt organization</th>
<th>Description of transfers, transactions, and sharing arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

52. a 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?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>b If &quot;Yes,&quot; complete the following schedule</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(a)</th>
<th>(b)</th>
<th>(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of organization</td>
<td>Type of organization</td>
<td>Description of relationship</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset No</td>
<td>Description</td>
<td>Date Acquired</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>LAND FURNITURE AND FIXTURES</td>
<td>000</td>
</tr>
<tr>
<td></td>
<td>VARIOUS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL 990 PAGE 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DEPR</td>
<td></td>
</tr>
</tbody>
</table>

(D) - Asset disposed  

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction
<table>
<thead>
<tr>
<th>KIND AND LOCATION OF PROPERTY</th>
<th>ACTIVITY NUMBER</th>
<th>GROSS RENTAL INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>RENTAL INCOME</td>
<td>1</td>
<td>506,013.</td>
</tr>
</tbody>
</table>

TOTAL TO FORM 990, PART I, LINE 6A

506,013.
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>ACTIVITY NUMBER</th>
<th>AMOUNT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>RENTAL EXPENSE</td>
<td></td>
<td></td>
<td>506,748</td>
</tr>
<tr>
<td>- SUBTOTAL -</td>
<td>1</td>
<td></td>
<td>506,748</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART I, LINE 6B</td>
<td></td>
<td></td>
<td>506,748</td>
</tr>
<tr>
<td>NAME OF BUYER</td>
<td>GROSS SALES PRICE</td>
<td>COST OR OTHER BASIS</td>
<td>EXPENSE OF SALE</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------</td>
<td>---------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>N/A</td>
<td>0.</td>
<td>2,157,899.</td>
<td>0.</td>
</tr>
<tr>
<td>TO FM 990, PART I, LN 8</td>
<td>2,157,899.</td>
<td>0.</td>
<td>2,114,629.</td>
</tr>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>---------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. GROSS RECEIPTS</td>
<td>1,465,229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. RETURNS AND ALLOWANCES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. LINE 1 LESS LINE 2</td>
<td>1,465,229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. COST OF GOODS SOLD (LINE 13)</td>
<td>960,846</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. GROSS PROFIT (LINE 3 LESS LINE 4)</td>
<td>504,383</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COST OF GOODS SOLD</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6. INVENTORY AT BEGINNING OF YEAR</td>
<td>1,713,225</td>
</tr>
<tr>
<td>7. MERCHANDISE PURCHASED</td>
<td>1,873,403</td>
</tr>
<tr>
<td>8. COST OF LABOR</td>
<td></td>
</tr>
<tr>
<td>9. MATERIALS AND SUPPLIES</td>
<td></td>
</tr>
<tr>
<td>10. OTHER COSTS</td>
<td></td>
</tr>
<tr>
<td>11. ADD LINES 6 THROUGH 10</td>
<td>3,586,628</td>
</tr>
<tr>
<td>12. INVENTORY AT END OF YEAR</td>
<td>2,625,782</td>
</tr>
<tr>
<td>13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)</td>
<td>960,846</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>UNREALIZED GAIN ON INVESTMENTS</td>
<td>906,749.</td>
</tr>
<tr>
<td>UNREALIZED GAIN ON INTEREST RATE SWAP AGREEMENT</td>
<td>163,082.</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART I, LINE 20</td>
<td>1,069,831.</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>(A) TOTAL</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>130,721</td>
</tr>
<tr>
<td>BAD DEBT EXPENSE</td>
<td>58,565</td>
</tr>
<tr>
<td>SPECIAL PROJECTS</td>
<td>8,027,846</td>
</tr>
<tr>
<td>DATA PROCESSING</td>
<td>406,561</td>
</tr>
<tr>
<td>CONSULTANT AND HONORARIUM</td>
<td>4,887,179</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td>&lt;1,867,518 &gt;</td>
</tr>
<tr>
<td>RENTAL EXPENSES ON LINE 6B</td>
<td>&lt;506,748 &gt;</td>
</tr>
<tr>
<td>DONATED SERVICES</td>
<td>&lt;25,000 &gt;</td>
</tr>
<tr>
<td>TOTAL TO FM 990, LN 43</td>
<td>11,111,606</td>
</tr>
</tbody>
</table>
EXPLANATION

DESCRIPTION OF PROGRAM SERVICE ONE

ADULT LEARNING AND EDUCATIONAL CREDENTIALS – PROGRAMS TO ENSURE THE VALIDITY OF NONTRADITIONAL LEARNING AND ADULT ACCESS TO AND SUCCESS IN POSTSECONDARY EDUCATION AND THE WORKFORCE. THESE PROGRAMS HELP ADULTS OBTAIN ACADEMIC CREDIT FOR FORMAL COURSES AND EXAMINATIONS TAKEN OUTSIDE COLLEGE AND UNIVERSITY DEGREE PROGRAMS.

<table>
<thead>
<tr>
<th>GRANTS</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,001,609.</td>
</tr>
</tbody>
</table>

TO FORM 990, PART III, LINE A
DESCRIPTION OF PROGRAM SERVICE TWO

PROFESSIONAL DEVELOPMENT PROGRAMS - PROGRAMS TO PROMOTE THE INVOLVEMENT OF US HIGHER EDUCATION IN GLOBAL DEVELOPMENT. INFLUENCE PUBLIC POLICY REGARDING THE UTILITY, EFFICIENCY, AND EFFECTIVENESS OF HIGHER EDUCATION INSITUTIONS FOR DEVELOPMENT COOPERATION. PROGRAMS TO DEVELOP HIGHER EDUCATION SENIOR LEADERSHIP TO SERVE AMERICAN COLLEGES AND UNIVERSITIES.

<table>
<thead>
<tr>
<th></th>
<th>Grants</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>TO FORM 990, PART III, LINE B</td>
<td></td>
<td>12,064,480.</td>
</tr>
</tbody>
</table>
DESCRIPTION OF PROGRAM SERVICE THREE

OTHER PROGRAMS OF SERVICE TO HIGHER EDUCATION – ANNUAL MEETING PROVIDES THE IDEAL SETTING FOR NETWORKING WITH COLLEAGUES AND ADDRESSING FUTURE CHALLENGES OF HIGHER EDUCATION. BHEF GROUPS LEADERS FROM AMERICAN BUSINESSES, COLLEGES AND UNIVERSITIES, MUSEUMS AND FOUNDATIONS TO EXAMINE ISSUES OF NATIONAL IMPORTANCE AND, WHEN APPROPRIATE, TO SPEAK WITH ONE VOICE BY ISSUING REPORTS, PAPERS, AND BY SPONSORING ROUNDTABLE DISCUSSIONS.

<table>
<thead>
<tr>
<th>GRANTS</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,500,894.</td>
</tr>
</tbody>
</table>

TO FORM 990, PART III, LINE C
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>GRANTS AND ALLOCATIONS</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>POLICY ANALYSIS AND INTERNATIONAL PROGRAMS</td>
<td></td>
<td>1,740,854.</td>
</tr>
<tr>
<td>FURNISH FACILITIES AND SERVICES TO OTHER NOT-FOR-PROFIT ASSOCIATIONS AND</td>
<td></td>
<td>2,033,911.</td>
</tr>
<tr>
<td>MEMBERS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART III, LINE E</td>
<td></td>
<td>3,774,765.</td>
</tr>
<tr>
<td>SECURITY DESCRIPTION</td>
<td>COST/FMV</td>
<td>CORPORATE STOCKS</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------</td>
<td>------------------</td>
</tr>
<tr>
<td>MUTUAL FUNDS</td>
<td>FMV</td>
<td></td>
</tr>
<tr>
<td>TO FORM 990, LINE 54, COL B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>VALUATION METHOD</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>LIMITED PARTNERSHIP INVESTMENTS</td>
<td>MARKET VALUE</td>
<td>335,165.</td>
</tr>
<tr>
<td>TIAA ANNUITY CONTRACT</td>
<td>MARKET VALUE</td>
<td>715,918.</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B</td>
<td></td>
<td>1,051,083.</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>COST OR OTHER BASIS</td>
<td>ACCUMULATED DEPRECIATION</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>BUILDING IMPROVEMENTS AND FURNITURE AND FIXTURES</td>
<td>24,725,032</td>
<td>17,892,890</td>
</tr>
<tr>
<td>LAND</td>
<td>2,678,042</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART IV, LN 57</td>
<td>27,403,074</td>
<td>17,892,890</td>
</tr>
</tbody>
</table>
PURPOSE OF ISSUE
DEBT REFINANCE

<table>
<thead>
<tr>
<th>ORIGINAL ISSUE AMOUNT</th>
<th>PROJECT COMPLETION DATE</th>
<th>UNEXPENDED BOND PROCEEDS</th>
<th>TYPE OF FORM 8038 FILED</th>
<th>FORM 8038 DATE</th>
</tr>
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<tbody>
<tr>
<td>6,800,000.</td>
<td>08/01/98</td>
<td>0.</td>
<td>NONE FILED</td>
<td></td>
</tr>
</tbody>
</table>

ISSUE DATE
08/01/98

DESCRIPTION OF USE BY THIRD PARTY
DISTRICT OF COLUMBIA

5,486,676.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64A

5,486,676.
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>POST RETIREMENT OBLIGATION</td>
<td>2,896,713.</td>
</tr>
<tr>
<td>INTEREST RATE SWAP AGREEMENT</td>
<td>331,555.</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B</td>
<td>3,228,268.</td>
</tr>
</tbody>
</table>
### FORM 990

**OTHER REVENUE INCLUDED ON FORM 990**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST OF GOOD SOLD ON LINE 10B</td>
<td>&lt;960,846.&gt;</td>
</tr>
<tr>
<td>RENT EXPENSES ON LINE 6B</td>
<td>&lt;506,748.&gt;</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART IV-A</td>
<td>&lt;1,467,594.&gt;</td>
</tr>
</tbody>
</table>

"
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST OF GOOD SOLD ON LINE 10B</td>
<td>&lt;960,846&gt;</td>
</tr>
<tr>
<td>RENT EXPENSES ON LINE 6B</td>
<td>&lt;506,748&gt;</td>
</tr>
<tr>
<td>TOTAL TO FORM 990, PART IV-B</td>
<td>&lt;1,467,594&gt;</td>
</tr>
</tbody>
</table>

FORM 990  OTHER EXPENSES INCLUDED ON FORM 990  STATEMENT 18
<table>
<thead>
<tr>
<th>LINE</th>
<th>EXPLANATION OF RELATIONSHIP OF ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>93B</td>
<td>SPONSORED CONTRACTS AND GRANTS TO DO RESEARCH AND PERFORM SERVICES TO ADVANCE EDUCATION AND KNOWLEDGE.</td>
</tr>
<tr>
<td>93C</td>
<td>AS PART OF ITS COORDINATING RESPONSIBILITY ACE PROVIDES FACILITIES AND SERVICES TO ASSOCIATION MEMBERS WHO WORK FOR THE IMPROVEMENT OF HIGHER EDUCATION.</td>
</tr>
<tr>
<td>93D</td>
<td>FEES FOR CONFERENCES, MEETINGS, SEMINARS AND WORKSHOPS TO EXAMINE AND ADVANCE EDUCATIONAL METHODS AND ACTIVITIES. ALSO INCLUDED ARE FEES FOR THE GED HIGH SCHOOL EQUIVALENCE TEST WHICH HELP HIGH SCHOOL DROP OUTS GET INTO HIGHER EDUCATION.</td>
</tr>
<tr>
<td>94</td>
<td>DUES PAID BY MEMBERS IN EXCHANGE FOR MEMBER BENEFITS FROM VARIOUS PROGRAMS DESCRIBED IN PART III</td>
</tr>
<tr>
<td>102</td>
<td>SALES OF PUBLICATIONS, PRODUCTS AND SERVICES TO MEMBERS TO ADVANCE HIGHER EDUCATION. SALES TO NON-MEMBERS AND ADVERTISING INCOME ARE REFLECTED IN COLUMN (B).</td>
</tr>
<tr>
<td>103D</td>
<td>VARIOUS OTHER INCOME RELATED TO EXEMPT PURPOSES</td>
</tr>
</tbody>
</table>
ACE Board of Directors — 2005

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President, Willamette University, OR

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Chancellor and President, Syracuse University, NY

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President, American Council on Education

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Term Ending February 2006

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Bronx Community College, NY  
Term Ending February 2006

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Robert Caret, President  
Towson University, MD  
Term Ending February 2008

Association of American Colleges & Universities  
Bobby Fong, President  
Butler University, IN  
Term Ending February 2006

Association of American Universities  
TBD

Association of Catholic Colleges & Universities  
Stephen Privett, S.J., President  
University of San Francisco, CA  
Term Ending August 2008

Association of Jesuit Colleges & Universities  
Joseph McShane, S.J., President  
Fordham University, NY  
Term Ending February 2007

Council of Independent Colleges  
Jake Schrum, President  
Southwestern University, TX  
Term Ending October 2006

National Association of Independent Colleges & Universities  
Mary Brown Bullock, President  
Agnes Scott College, GA  
Term Ending February 2007

National Association of State Universities & Land-Grant College  
Lee T. Todd, President  
University of Kentucky  
Term Ending May 2008

National Association for Equal Opportunity in Higher Education  
Larry Earvin, President  
Huston-Tillotson University, TX  
Term Ending February 2007

Elected Associations—For One-Year Term, Ending February 2008

Council for Christian Colleges and Universities  
Robert Andringa, President

EDUCAUSE
Brian Hawkins, President

Designated Representative
Washington Higher Education Secretariat—For One-Year Term
Ending August 2006

Kathleen Santora, Chief Executive Officer
National Association of College and University Attorneys, DC
Form 8868
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.

**Part I**

**Automatic 3-Month Extension of Time**—Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only □

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, if you are filed electronically if you want the additional (not automatic) 3-month extension, you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

<table>
<thead>
<tr>
<th>Type or print</th>
<th>Name of Exempt Organization</th>
<th>Employer identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td>File by the due date for filing your return. See instructions.</td>
<td>AMERICAN COUNCIL ON EDUCATION</td>
<td>53 0196573</td>
</tr>
<tr>
<td>Number, street, and room or suite no. If a P.O. box, see instructions.</td>
<td>ONDUPONT CIRCLE, N.W.</td>
<td></td>
</tr>
<tr>
<td>City, town or post office, state, and ZIP code. For a foreign address, see instructions.</td>
<td>WASHINGTON, D.C. 20036</td>
<td></td>
</tr>
</tbody>
</table>

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

- [ ] Form 990
- [x] Form 990-T corporation (Form 990-T)
- [ ] Form 990-T (sec. 401(a) or 408(a) trust)
- [ ] Form 990-T (trust other than above)
- [ ] Form 990-PF
- [ ] Form 1041-A
- [ ] Form 4720
- [ ] Form 5227
- [ ] Form 6069
- [ ] Form 8870

- The books are in the care of ▶

Telephone No. ▶ ( ) 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) □

1. I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until __MAY__ 15_____, 2005, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
   - [ ] calendar year 20... or
   - [x] tax year beginning __OCTOBER__ 1_____, 20... and ending __SEPTEMBER__ 30_____, 2005.

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 $ □

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 $ □

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 $ □

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 Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Cat. No. 27916D Form 8868 (Rev. 12-2004)