

# **The Pennsylvania State University**

## **Right-to-Know Law Report**

**May 22, 2015**

This Report is filed in accordance with the provisions of Chapter 15 of the Right-to-Know Law for the Fiscal Year commencing July 1, 2013 and ending June 30, 2014. This Report includes the following information as required by the Right-to-Know Law:

1. Section 1 -- Information required by Form 990 or an equivalent form, of the United States Department of the Treasury, Internal Revenue Service, entitled the Return of Organization Exempt From Income Tax, regardless of whether the State-related institution is required to file the form by the Federal Government.
2. Section 2 -- The salaries of all officers and directors of the State-related institution.
3. Section 3 -- The highest 25 salaries paid to employees of the institution that are not included under Section 2.

## **Section 1:**

**All information required by Form 990 or an equivalent form, of the United States Department of the Treasury, Internal Revenue Service, entitled the Return of Organization Exempt From Income Tax, regardless of whether the State-related institution is required to file the form by the Federal Government.**

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

**2013****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

<b>A</b> For the 2013 calendar year, or tax year beginning <u>July 1</u> , 2013, and ending <u>June 30</u> , 20 <u>14</u>	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <u>The Pennsylvania State University</u>
	Doing Business As _____
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>408 Old Main</u>
	City or town, state or province, country, and ZIP or foreign postal code <u>University Park, PA 16802</u>
	<b>F</b> Name and address of principal officer: <u>Eric Barron, Old Main, Univ. Park</u>
<b>D</b> Employer identification number <u>246000376</u>	<b>E</b> Telephone number <u>814-865-1355</u>
<b>G</b> Gross receipts \$ _____	
<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
<b>H(c)</b> Group exemption number ▶ _____	
<b>I</b> Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J</b> Website: ▶ _____	
<b>K</b> Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ _____	
<b>L</b> Year of formation: <u>1855</u> <b>M</b> State of legal domicile: <u>PA</u>	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>As PA's land grant university, Penn State is committed to improving the lives of the people of Pennsylvania, the nation and the world through its integrated, tri-part mission of high-quality teaching, research and outreach. The University is an instrumentality of the Commonwealth of Pennsylvania.</u>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . . <b>3</b> <u>30</u>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . . <b>4</b> <u>30</u>
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a) . . . . . <b>5</b> <u>56792</u>
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . . <b>6</b> <u>Thousands</u>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . . <b>7a</b> <u>12600000</u>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . . <b>7b</b> <u>0</u>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . . <u>432233000</u>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . . <u>4304578170</u>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . . <u>205529000</u>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . <u>27146830</u>
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . <u>4969487000</u>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . . <u>160910801</u>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . . <u>2369034901</u>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) . . . . . <u>1655929298</u>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . . <u>1703648317</u>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ _____
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . . <u>4185875000</u>
	<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . . <u>783612000</u>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 . . . . . <u>5282101000</u>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) . . . . . <u>10690616000</u>
	<b>21</b> Total liabilities (Part X, line 26) . . . . . <u>3981519000</u>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 . . . . . <u>6709097000</u>

**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.

<b>Sign Here</b>	Signature of officer _____	Date _____			
	Type or print name and title _____				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name _____	Preparer's signature _____	Date _____	Check <input type="checkbox"/> if self-employed	PTIN _____
	Firm's name ▶ _____	Firm's EIN ▶ _____			
	Firm's address ▶ _____	Phone no. _____			
	May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No				

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

As Pennsylvania's land grant university, The Pennsylvania State University is committed to improving the lives of the people of Pennsylvania, the nation, and the world through its integrated, tri-part mission of high-quality teaching, research and outreach. The University is an instrumentality of the Commonwealth of Pennsylvania.

**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 organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 1391994093 including grants of \$ 173157053 ) (Revenue \$ 1606079000 )

Instruction - Penn State's instructional mission includes undergraduate, graduate, professional, and continuing and distance education.

**4b** (Code: ) (Expenses \$ 1105487136 including grants of \$ ) (Revenue \$ 1470925000 )

Hospital - Penn State is committed to enhancing quality of life through improved health, the professional preparation of those who will serve the health needs of others, and the discovery of knowledge that will benefit all.

**4c** (Code: ) (Expenses \$ 634362909 including grants of \$ ) (Revenue \$ 813125000 )

Research - Penn State's research mission is to create new knowledge that improves individual lives. University research has positively impacted our region, state, nation, and beyond.

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ 364146193 including grants of \$ ) (Revenue \$ 609775171 )

**4e** Total program service expenses 3495990331



**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	<b>1</b> ✓	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	<b>2</b>	✓
<b>3</b> 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 . . . . .	<b>3</b>	✓
<b>4</b> <b>Section 501(c)(3) organizations.</b> 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 . . . . .	<b>4</b>	
<b>5</b> 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 . . . . .	<b>5</b>	✓
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	<b>6</b>	✓
<b>7</b> 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 . . . . .	<b>7</b>	✓
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	<b>8</b> ✓	
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	<b>9</b>	✓
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	<b>10</b> ✓	
<b>11</b> 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.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	<b>11a</b> ✓	
<b>b</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 . . . . .	<b>11b</b> ✓	
<b>c</b> 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 . . . . .	<b>11c</b>	✓
<b>d</b> 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 . . . . .	<b>11d</b>	✓
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	<b>11e</b> ✓	
<b>f</b> 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 . . . . .	<b>11f</b> ✓	
<b>12 a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .	<b>12a</b> ✓	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .	<b>12b</b> ✓	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	<b>13</b> ✓	
<b>14 a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	<b>14a</b> ✓	
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV. . . . .	<b>14b</b> ✓	
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .	<b>15</b>	✓
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV. . . . .	<b>16</b> ✓	
<b>17</b> 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) . . . . .	<b>17</b>	✓
<b>18</b> 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 . . . . .	<b>18</b> ✓	
<b>19</b> 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 . . . . .	<b>19</b>	✓
<b>20 a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	<b>20a</b> ✓	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	<b>20b</b>	✓



**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>	<b>21</b>	✓
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>	<b>22</b> ✓	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J . . . . .</i>	<b>23</b> ✓	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a . . . . .</i>	<b>24a</b> ✓	
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>	✓
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>	✓
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>	✓
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25a</b>	
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25b</b>	
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II . . . . .</i>	<b>26</b>	✓
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III . . . . .</i>	<b>27</b>	✓
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):	<b>28a</b>	✓
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28b</b> ✓	
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28c</b> ✓	
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>29</b> ✓	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>30</b> ✓	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>31</b>	✓
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . . . .</i>	<b>32</b>	✓
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . . . .</i>	<b>33</b>	✓
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>	<b>34</b> ✓	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .</i>	<b>35a</b> ✓	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .	<b>35b</b> ✓	
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>36</b>	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>37</b>	✓
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI . . . . .</i>	<b>38</b> ✓	
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .		



**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . . 1a 4937		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . . 1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . . 1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 56792		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . . 2b	✓	
	<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) . . . . .		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . . 3a	✓	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O . . . . . 3b	✓	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . . 4a	✓	
b	If "Yes," enter the name of the foreign country: ► South Africa See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. . . . .		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . . 5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . . 5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . . 5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . . 6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . 6b		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . . 7a	✓	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . . 7b	✓	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . . 7c	✓	
d	If "Yes," indicate the number of Forms 8282 filed during the year . . . . . 7d 31		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . 7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . 7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . . 7g	✓	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . . 7h	✓	
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . . 8		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966? . . . . . 9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . . 9b		
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . . 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . . 10b		
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders . . . . . 11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . 11b		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . . 12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . . 12b		
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a	Is the organization licensed to issue qualified health plans in more than one state? . . . . . 13a		
	<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . . 13b		
c	Enter the amount of reserves on hand . . . . . 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year? . . . . . 14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . . 14b		



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

Check if Schedule O contains a response or note to any line in this Part VI ☒

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . . <b>1a</b> 30		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . . <b>1b</b> 30		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . <b>2</b>		✓
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . . . <b>3</b>		✓
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . . <b>4</b>	✓	
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . . <b>5</b>		✓
<b>6</b> Did the organization have members or stockholders? . . . . . <b>6</b>		✓
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . . <b>7a</b>	✓	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . <b>7b</b>		✓
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? . . . . . <b>8a</b>	✓	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . . <b>8b</b>	✓	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . . <b>9</b>		✓

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

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

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► Pennsylvania

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Joseph J. Doncsecz, Assoc. VP for Finance & Corp. Controller, 408 Old Main, Univ. Park, PA 16802 814-865-1355



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

 Check if Schedule O contains a response or note to any line 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Carolyn Dumaresq Trustee	5*	✓								
(2) Ellen Ferretti Trustee	5*	✓								
(3) George Greig Trustee	5*	✓								
(4) Clifford Benson Trustee	5*	✓								
(5) Kathleen Casey Trustee	5*	✓								
(6) Mark Dambly Trustee	5*	✓								
(7) Peter Khoury Trustee	5*	✓								
(8) Todd Rucci Trustee	5*	✓								
(9) Paul Silvis Trustee	5*	✓								
(10) Marianne Alexander Trustee	5*	✓								
(11) Jesse Arnelle Trustee	5*	✓								
(12) Edward Brown, III Trustee	5*	✓								
(13) Barbara Doran Trustee	5*	✓								
(14) Anthony Lubrano Trustee	5*	✓								

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) Ryan McCombie Trustee	5*	<input checked="" type="checkbox"/>								
(16) Joel Myers Trustee	5*	<input checked="" type="checkbox"/>								
(17) William Oldsey Trustee	5*	<input checked="" type="checkbox"/>								
(18) Adam Taliaferro Trustee	5*	<input checked="" type="checkbox"/>								
(19) Donald Cotner Trustee	5*	<input checked="" type="checkbox"/>								
(20) Keith Eckel Trustee	5*	<input checked="" type="checkbox"/>								
(21) M. Abraham Harpster Trustee	5*	<input checked="" type="checkbox"/>								
(22) Betsy Huber Trustee	5*	<input checked="" type="checkbox"/>								
(23) Keith Masser Trustee	5*	<input checked="" type="checkbox"/>								
(24) Carl Shaffer Trustee	5*	<input checked="" type="checkbox"/>								
(25) James Broadhurst Trustee	5*	<input checked="" type="checkbox"/>								
<b>1b Sub-total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>								15164885		613872
<b>d Total (add lines 1b and 1c)</b>								15164885		613872

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **2740**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>4</b> 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>5</b> 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	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Barton Malow Company, Southfield, MI 48034	Construction	41671142
Mortenson Construction, Minneapolis, MN 55422	Construction	37008197
Gilbane Building Co, Providence, RI 02903	Construction	21129708
Dell Marketing LP, Round Rock, TX 78682	Systems and Peripherals	15939447
McKesson Drug Co., San Francisco, CA 94104	Pharmaceutical	13338855

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1274**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

 Check if Schedule O contains a response or note to any line 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) (26) Richard Dandrea Trustee	5*	✓								
(2) (27) Kenneth Frazier Trustee	5*	✓								
(3) (28) Edward Hintz, Jr. Trustee	5*	✓								
(4) (29) Karen Peetz Trustee	5*	✓								
(5) (30) Linda Strumpf Trustee	5*	✓								
(6) (31) Richard Allan Trustee	5*	✓								
(7) (32) William Harner Trustee	5*	✓								
(8) (33) Alvin Clemins Trustee	5*	✓								
(9) (34) Ira Lubert Trustee	5*	✓								
(10) (35) Eric Barron President	50*			✓						
(11) (36) Stephen Dunham Vice President & General Counsel	50*			✓				502730		37891
(12) (37) David Gray Sr. VP - Finance/Treasurer	50*			✓				387143		40358
(13) (38) Nicholas Jones Executive VP & Provost	50*			✓				260475		29412
(14) (39) Rodney Kirsch Sr. VP - Development	50*			✓				814555		45890

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) (40) Harold Paz CEO Hershey Medical Center	50*			✓				1526308		46145
(16) (41) Rod Erickson Former President	50*			✓				1191443		94250
(17) (42) Robert Pangborn Former Exec. VP & Provost	50*						✓	376562		44051
(18) (43) Gary Schultz Former Sr. VP - Finance/Treasurer	0*						✓	478165		
(19) (44) Graham Spanier Former President	0*						✓	2268583		30174
(20) (45) Bill O'Brien Head Football Coach	50*					✓		3395656		44696
(21) (46) Robert Harbaugh Chair Dept. of Neurosurgery	50*					✓		1102200		49752
(22) (47) Alan Brechbill Executive Director - MSHMC	50*					✓		1033235		50752
(23) (48) Kevin Black Chair Orthopaedics/Rehabilitation	50*					✓		916556		50746
(24) (49) Peter Dillon Chair Department of Surgery	50*					✓		911274		49755
(25) *Average hours per week are estimates and may vary by Trustee/employee.										
<b>1b Sub-total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>										

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

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

**Section B. Independent Contractors**

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

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

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



**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b>	Membership dues . . . . .	<b>1b</b>				
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>	13751806			
	<b>d</b>	Related organizations . . . . .	<b>1d</b>	15759			
	<b>e</b>	Government grants (contributions)	<b>1e</b>	275931000			
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	248510435			
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶		538209000			
<b>Program Service Revenue</b>				<b>Business Code</b>			
	<b>2a</b>	Tuition and fees . . . . .	900099	1606079000	1606079000		
	<b>b</b>	Grants & contracts . . . . .	541700	817508000			817508000
	<b>c</b>	Medical Center revenue . . . . .	900099	1470925000	1470925000		
	<b>d</b>	Sales - auxiliary, etc. . . . .	611710	538634171		9700000	528934171
	<b>e</b>	Sales - educational . . . . .	611710	66758000	66758000		
	<b>f</b>	All other program service revenue . . . . .					
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		4499904171				
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		151416000		2900000	148516000
	<b>4</b>	Income from investment of tax-exempt bond proceeds ▶					
	<b>5</b>	Royalties . . . . . ▶		5872000			5872000
			(i) Real	(ii) Personal			
	<b>6a</b>	Gross rents . . . . .	5810099				
	<b>b</b>	Less: rental expenses . . . . .	4926179				
	<b>c</b>	Rental income or (loss) . . . . .	883921				
	<b>d</b>	Net rental income or (loss) . . . . . ▶		883921			883921
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			38919400000				
	<b>b</b>	Less: cost or other basis and sales expenses . . . . .	38845327000				
	<b>c</b>	Gain or (loss) . . . . .	74073000				
	<b>d</b>	Net gain or (loss) . . . . . ▶		74073000			74073000
	<b>8a</b>	Gross income from fundraising events (not including \$ 13751806 of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>	958200			
	<b>b</b>	Less: direct expenses . . . . .	<b>b</b>	847599			
	<b>c</b>	Net income or (loss) from fundraising events . . . . . ▶		110601			110601
	<b>9a</b>	Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>				
	<b>b</b>	Less: direct expenses . . . . .	<b>b</b>				
	<b>c</b>	Net income or (loss) from gaming activities . . . . . ▶					
	<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>	19917315			
<b>b</b>	Less: cost of goods sold . . . . .	<b>b</b>	9634407				
<b>c</b>	Net income or (loss) from sales of inventory . . . . . ▶		10282908			10282908	
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
<b>11a</b>	Miscellaneous income . . . . .	900099	1349399			1349399	
<b>b</b>	. . . . .						
<b>c</b>	. . . . .						
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶		1349399				
<b>12</b>	<b>Total revenue.</b> See instructions. . . . . ▶		5282101000	3143762000	12600000	1587530000	

**Part IX Statement of Functional Expenses**

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

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	155815480	155815480		
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22				
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	4600640	1269512	2237564	1093564
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	2134891563	1702762085	406214552	25914926
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	132372985	105430507	25271429	1671048
<b>9</b> Other employee benefits	483629,521	385194,199	92330087	6105235
<b>10</b> Payroll taxes	91673494	73014770	17501458	1157266
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management	23509		23509	
<b>b</b> Legal	18808793		18808793	
<b>c</b> Accounting	664925		664925	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees	12992461	10348046	2480401	164014
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
<b>12</b> Advertising and promotion	20766444	14917829	5779594	69021
<b>13</b> Office expenses	24381939	17494727	5840040	1047172
<b>14</b> Information technology	56455386	28258982	27658965	537439
<b>15</b> Royalties	289622	273172	16450	
<b>16</b> Occupancy	139568856	42499062	97025142	44652
<b>17</b> Travel	63024851	54758152	6909910	1356789
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	40652883	30664912	9225729	762242
<b>20</b> Interest	48678151	38770465	9293184	614503
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	275346000	219303573	52566518	3475909
<b>23</b> Insurance	28377411	22601627	5417554	358230
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> Hospital Expenses	444400283	354191399	84618,088	5590797
<b>b</b> Maintenance	155601317	25202179	130340412	58726
<b>c</b> Resale supplies and material	65659592	41,133025	24526567	
<b>d</b> Food supplies	54620482	1636364	52984118	
<b>e</b> All other expenses	253335412	170450265	81222878	1662269
<b>25</b> Total functional expenses. Add lines 1 through 24e	4706632000	3495990331	1158957867	51683802
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .		<b>1</b>	
	<b>2</b> Savings and temporary cash investments . . . . .	1029973000	<b>2</b>	1088094000
	<b>3</b> Pledges and grants receivable, net . . . . .	178137000	<b>3</b>	214464000
	<b>4</b> Accounts receivable, net . . . . .	492404000	<b>4</b>	527213000
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .	58844000	<b>7</b>	60817000
	<b>8</b> Inventories for sale or use . . . . .	31406000	<b>8</b>	35484000
	<b>9</b> Prepaid expenses and deferred charges . . . . .	115463000	<b>9</b>	114963000
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 7252670000		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 3308418000		
	<b>11</b> Investments—publicly traded securities . . . . .	3730764000	<b>10c</b>	3944252000
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .	4114506000	<b>11</b>	4529074000
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .	902728000	<b>12</b>	1155812000
	<b>14</b> Intangible assets . . . . .		<b>13</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	36391000	<b>14</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	10690616000	<b>15</b>	40434000	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	660096000	<b>16</b>	11710607000
	<b>18</b> Grants payable . . . . .		<b>17</b>	526815000
	<b>19</b> Deferred revenue . . . . .	271696000	<b>18</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .	1005408000	<b>19</b>	273636000
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>20</b>	981488000
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		<b>21</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>22</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>23</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .		<b>24</b>	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	2044319000	<b>25</b>	2245143000
	<b>27</b> <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>	3981519000	<b>26</b>	4027082000
<b>Net Assets or Fund Balances</b>	<b>27</b> Unrestricted net assets . . . . .	5006540000	<b>27</b>	5658164000
	<b>28</b> Temporarily restricted net assets . . . . .	484375000	<b>28</b>	694240000
	<b>29</b> Permanently restricted net assets . . . . .	1218182000	<b>29</b>	1331121000
	<b>30</b> <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>		<b>30</b>	
	<b>31</b> Capital stock or trust principal, or current funds . . . . .		<b>31</b>	
	<b>32</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>32</b>	
	<b>33</b> Retained earnings, endowment, accumulated income, or other funds . . . . .	6709097000	<b>33</b>	7683525000
	<b>34</b> <b>Total net assets or fund balances . . . . .</b>	10690616000	<b>34</b>	11710607000



**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	5282101000
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	4706632000
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	575469000
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	6709097000
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	398959000
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	7683525000

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- 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.
- 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? . . .
- 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.

	Yes	No
<b>2a</b>		✓
<b>2b</b>	✓	
<b>2c</b>	✓	
<b>3a</b>	✓	
<b>3b</b>	✓	



**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

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.

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number

246000376

**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—Non-functionally integrated
  - e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).**
  - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
  - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
    - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		
    - (ii) A family member of a person described in (i) above? ☐
    - (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
  - h Provide the following information about the supported organization(s).

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

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>4</b> <b>Total.</b> Add lines 1 through 3 . . . . .						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						
<b>6</b> <b>Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>7</b> Amounts from line 4 . . . . .						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>11</b> <b>Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					<b>12</b>	
<b>13</b> <b>First five years.</b> 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 <b>stop here</b> . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	%
<b>15</b> Public support percentage from 2012 Schedule A, Part II, line 14 . . . . .	<b>15</b>	%
<b>16a</b> <b>33 1/3% support test—2013.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>b</b> <b>33 1/3% support test—2012.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>17a</b> <b>10%-facts-and-circumstances test—2013.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>b</b> <b>10%-facts-and-circumstances test—2012.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>18</b> <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .		<input type="checkbox"/>

**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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> 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 . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . .						
<b>b</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 . . . .						
<b>c</b> Add lines 7a and 7b . . . .						
<b>8 Public support.</b> (Subtract line 7c from line 6.) . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>9</b> Amounts from line 6 . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . .						
<b>c</b> Add lines 10a and 10b . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . .						
<b>14 First five years.</b> 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 <b>stop here</b> . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15 . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)) . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2012 Schedule A, Part III, line 17 . . . .	<b>18</b>	%

- 19a 33 1/3% support tests—2013.** 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—2012.** 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.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).



**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service  
Name of the organization

**Supplemental Financial Statements**

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

► Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

The Pennsylvania State University

Employer identification number  
246000376

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

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

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . . . . . ☐ Yes ☐ No

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

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

(i) Revenues included in Form 990, Part VIII, line 1 . . . . . ► \$ 473824

(ii) Assets included in Form 990, Part X . . . . . ► \$ 24178373

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

a Revenues included in Form 990, Part VIII, line 1 . . . . . ► \$

b Assets included in Form 990, Part X . . . . . ► \$



**Part 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

**d** ☐ Loan or exchange programs

**b** ☒ Scholarly research

**e** ☐ Other \_\_\_\_\_

**c** ☒ Preservation for future generations

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

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No

**Part IV Escrow and Custodial Arrangements.**

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

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

**c** Beginning balance

**d** Additions during the year

**e** Distributions during the year

**f** Ending balance

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

**2a** Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

**Part V Endowment Funds.**

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance	1924142519	1772920805	1737842091	1350,316156	1171975780
<b>b</b> Contributions	92188061	73922655	76169480	136326665	62526394
<b>c</b> Net investment earnings, gains, and losses	336458431	161320493	42551700	329056868	190676045
<b>d</b> Grants or scholarships	(75382550)	(71459120)	(70842979)	(65964277)	(63400710)
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses	(12992461)	(12562314)	(12799486)	(11893321)	(11461353)
<b>g</b> End of year balance	2264414000	1924142519	1772920805	1737842091	1350316156

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

**a** Board designated or quasi-endowment ☐ 26.3%

**b** Permanent endowment ☐ 73.5%

**c** Temporarily restricted endowment ☐ .2%

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

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

(i) unrelated organizations

(ii) related organizations

	Yes	No
<b>3a(i)</b>		<input checked="" type="checkbox"/>
<b>3a(ii)</b>		<input checked="" type="checkbox"/>
<b>3b</b>		

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

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land	123532000			123532000
<b>b</b> Buildings	5354902000		2485048566	2869853434
<b>c</b> Leasehold improvements	587492000		272637324	314854676
<b>d</b> Equipment	1186744000		550732110	636011890
<b>e</b> Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				3944252000

**Part VII Investments—Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. 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) Private capital	1155812000	end-of-year market value
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	1155812000	

**Part VIII Investments—Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Deferred bond costs, net	5095000
(2) Beneficial interest in perpetual trusts	15498000
(3) Other assets	19841000
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	40434000

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Present value of annuities payable	51151000
(3) Accrued postretirement benefits	1900406000
(4) Deposits held in custody of others	40619000
(5) Refundable US Government student loans	46318000
(6) Other liabilities	206649000
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	2245143000

2. Liability for uncertain tax positions. In Part XIII, 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). Check here if the text of the footnote has been provided in Part XIII ☐

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	5681060000
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	398959000
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	398959000
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	5282101000
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) . . . . .	<b>5</b>	5282101000

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	4706632000
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.) . . . . .	<b>5</b>	4706632000

**Part XIII Supplemental Information.**

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

Part III - The Palmer Museum of Art on the Penn State University Park campus is a free-admission arts resource for

PSU and surrounding communities in central Pennsylvania. The museum offers an ever-changing array of exhibitions

and displays of its permanent collection. With eleven galleries, a print-study room, 150-seat auditorium, and outdoor

sculpture garden, the Palmer Museum is a unique cultural resource for residents of and visitors to the region. The

Palmer Museum supports the educational mission of the School of Art as well as the entire University and the

University's community benefit mission.



**Part XIII** Supplemental Information *(continued)*

Part V - Each endowed gift to Penn State is formalized through the creation of guidelines, specific to that endowment, which provide an opportunity for donors to express their intentions for how the gift is to be directed and used by the University. Guidelines are created for the student, faculty, and program support and indicate the particular college, campus, or program to benefit from the endowed fund.

**Part X, Line 2 - Income Taxes**

the University files U.S. federal and state tax returns. The statute of limitations on the University's federal returns generally remains open for three years following the year they are filed. In accordance with ASC 740 Income Taxes Topic, the University continues to evaluate tax positions and has determined there is no material impact on the University financial statements.



**SCHEDULE E**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Schools**

- Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.  
► Attach to Form 990 or Form 990-EZ.

► Information about Schedule E (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number

246000376

**Part I**

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .	1 ✓	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .	2 ✓	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II . . . . .	3 ✓	
See Part II.		
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	4a ✓	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	4b ✓	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	4c ✓	
d Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	4d ✓	
If you answered "No" to any of the above, please explain. If you need more space, use Part II.		
5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges? . . . . .	5a	✓
b Admissions policies? . . . . .	5b	✓
c Employment of faculty or administrative staff? . . . . .	5c	✓
d Scholarships or other financial assistance? . . . . .	5d	✓
e Educational policies? . . . . .	5e	✓
f Use of facilities? . . . . .	5f	✓
g Athletic programs? . . . . .	5g	✓
h Other extracurricular activities? . . . . .	5h	✓
If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.		
6a Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	6a ✓	
b Has the organization's right to such aid ever been revoked or suspended? . . . . .	6b	✓
If you answered "Yes" to either line 6a or line 6b, explain on Part II.		
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II . . . . .	7 ✓	

**Part II** **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions).

Schedule E, Line 6(a) - Government aid

The Commonwealth of Pennsylvania appropriation for the 2013-14 fiscal year was \$287,747,000.

Schedule E, Line 3 - Nondiscrimination Statement

The University is committed to equal access to programs, facilities, admission and employment for all persons. It is the policy of the University to maintain an environment free of harassment and free of discrimination against any person because of age, race, color, ancestry, national origin, religion, creed, service in the uniformed services (as defined in state and federal law), veteran status, sex, sexual orientation, marital or family status, pregnancy, pregnancy-related conditions, physical or mental disability, gender, perceived gender, gender identity, genetic information or political ideas. Discriminatory conduct and harassment, as well as sexual misconduct and relationship violence, violates the dignity of individuals, impedes the realization of the University's educational mission, and will not be tolerated. The University publishes and/or the above discrimination statement or the following shorter statement on solicitations to students: Penn State is an equal opportunity, affirmative action employer, and is committed to providing employment opportunities to minorities, women, veterans, disabled individuals, and other protected groups.

**SCHEDULE F**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

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

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number

246000376

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

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other 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 its grants and other assistance 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) Europe			program services	educat./research	3667036
(2) East Asia and the Pacific			program services	educat./research	1213240
(3) North America			program services	educat./research	945427
(4) Sub-Saharan Africa			program services	educat./research	536743
(5) Central America /Caribbean			program services	educat./research	288243
(6) South America			program services	educat./research	348869
(7) South Asia			program services	educat./research	246987
(8) Middle East & North Africa			program services	educat./research	217606
(9) Russia & Newly Ind. States			program services	educat./research	142952
(10) Europe			Investments		497408753
(11) Asia / Pacific			Investments		369975196
(12) North America			Investments		16325446
(13) Middle East & Africa			Investments		33100617
(14) Central & South America			Investments		80616412
(15) Russia & Newly Indep. Stat			Investments		16399144
(16)					
(17)					
<b>3a</b> Sub-total . . . . .					1021432668
<b>b</b> Total from continuation sheets to Part I . . . . .					
<b>c Totals</b> (add lines 3a and 3b)					1021432668

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

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 value, 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" on 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) Student Aid	Sub-Saharan Africa	53	649341	deposits			
(2) Student Aid	East Asia and Pacific	234	2866904	deposits			
(3) Student Aid	Europe	1102	13501401	deposits			
(4) Student Aid	South America	63	771859	deposits			
(5) Student Aid	Africa & Middle East	33	404307	deposits			
(6) Student Aid	North America	10	122517	deposits			
(7) Student Aid	Cent Amer & Caribbean	3	36755	deposits			
(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, Information 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

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

University aid is passed from the University to the Penn State program abroad, which has been visited and evaluated by

appropriate University personnel prior to student enrollment. Students participating in a non-Penn State program cannot receive financial

aid from the University.

**SCHEDULE G  
(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number

246000376

**Part I**

**Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

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

- |   |  |
|---|--|
| <b>a</b> <input checked="" type="checkbox"/> Mail solicitations               | <b>e</b> <input checked="" type="checkbox"/> Solicitation of non-government grants |
| <b>b</b> <input checked="" type="checkbox"/> Internet and email solicitations | <b>f</b> <input checked="" type="checkbox"/> Solicitation of government grants     |
| <b>c</b> <input checked="" type="checkbox"/> Phone solicitations              | <b>g</b> <input checked="" type="checkbox"/> Special fundraising events            |
| <b>d</b> <input checked="" type="checkbox"/> In-person solicitations          |  |

**2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
<b>1</b>						
<b>2</b>						
<b>3</b>						
<b>4</b>						
<b>5</b>						
<b>6</b>						
<b>7</b>						
<b>8</b>						
<b>9</b>						
<b>10</b>						

**Total** . . . . . ▶

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

Pennsylvania

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

		(a) Event #1 Thon (event type)	(b) Event #2 Conn Dinner (event type)	(c) Other events 19 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts . . . . .	13844685	140500	724821	14710006
	2 Less: Contributions . . . . .	13596442	32860	122504	13751806
	3 Gross income (line 1 minus line 2) . . . . .	248243	107640	602317	958200
Direct Expenses	4 Cash prizes . . . . .				
	5 Noncash prizes . . . . .				
	6 Rent/facility costs . . . . .				
	7 Food and beverages . . . . .				
	8 Entertainment . . . . .				
	9 Other direct expenses . . . . .	508009	61610	277980	847599
	10 Direct expense summary. Add lines 4 through 9 in column (d) . . . . . ▶				847599
11 Net income summary. Subtract line 10 from line 3, column (d) . . . . . ▶				110601	

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue . . . . .				
Direct Expenses	2 Cash prizes . . . . .				
	3 Noncash prizes . . . . .				
	4 Rent/facility costs . . . . .				
	5 Other direct expenses . . . . .				
	6 Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) . . . . . ▶				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) . . . . . ▶				

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

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

b If "No," explain: \_\_\_\_\_

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

b If "Yes," explain: \_\_\_\_\_

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity operated in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c** If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

**16** Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

☐ Director/officer

☐ Employee

☐ Independent contractor

**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

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



**SCHEDULE H**  
**(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

- **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**  
► **Attach to Form 990.** ► **See separate instructions.**  
► **Information about Schedule H (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization

Employer identification number

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	<input checked="" type="checkbox"/>	
<b>1b</b> If "Yes," was it a written policy? . . . . .	<input checked="" type="checkbox"/>	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. <b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250</u> %	<input checked="" type="checkbox"/>	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	<input checked="" type="checkbox"/>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	<input checked="" type="checkbox"/>	
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		<input checked="" type="checkbox"/>
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization make it available to the public? . . . . .	<input checked="" type="checkbox"/>	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost					
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense
<b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .			14,302,961		14,302,961
<b>b</b> Medicaid (from Worksheet 3, column a)			34,366,865	19,558,978	14,807,887
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .					
<b>d</b> Total Financial Assistance and Means-Tested Government Programs			48,669,826	19,558,978	29,110,848
Other Benefits					
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			725,475	279,066	446,409
<b>f</b> Health professions education (from Worksheet 5) . . . . .			63,770,979	7,646,803	56,124,176
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .					
<b>h</b> Research (from Worksheet 7) . . . . .					
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			161,617	0	161,617
<b>j</b> Total Other Benefits . . . . .			64,658,071	7,925,869	56,732,202
<b>k</b> Total. Add lines 7d and 7j . . . . .			113,327,897	27,484,847	85,843,050
					6.4%

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount . . . . .	2 49,904,506		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit. . . . .	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .	5 272,151,293
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6 339,867,657
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	7 -67,716,364
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:	
<input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other	

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? . . . . .	9a	✓	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI . . . . .	9b	✓	

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 PA Psychiatric Institute	JV IP & OP psychiatric care	50%	0%	0%
2 Partners in Cancer Care	JV in oncology & infusion service for Ce	50%	0%	0%
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Part V Facility Information****Section A. Hospital Facilities**

(list in order of size, from largest to smallest—see instructions)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number

1 Penn State Milton S. Hershey Medical Center  
 500 University Ave  
 Hershey PA 17033

Licensed hospital

General medical &amp; surgical

Children's hospital

Teaching hospital

Critical access hospital

Research facility

ER-24 hours

ER-other

Other (describe)

Facility reporting group

✓

2

3

4

5

6

7

8

9

10



**Part V Facility Information** (continued)**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group \_\_\_\_\_

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) \_\_\_\_\_

		Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
<b>1</b>	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9. . . . .	<b>1</b> ✓	
If "Yes," indicate what the CHNA report describes (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b>	<input checked="" type="checkbox"/> Demographics of the community		
<b>c</b>	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b>	<input checked="" type="checkbox"/> How data was obtained		
<b>e</b>	<input checked="" type="checkbox"/> The health needs of the community		
<b>f</b>	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b>	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b>	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b>	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>2</b>	Indicate the tax year the hospital facility last conducted a CHNA: <u>20 1 2</u>		
<b>3</b>	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	<b>3</b> ✓	
<b>4</b>	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .	<b>4</b> ✓	
<b>5</b>	Did the hospital facility make its CHNA report widely available to the public? . . . . .	<b>5</b> ✓	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> Hospital facility's website (list url): _____		
<b>b</b>	<input type="checkbox"/> Other website (list url): _____		
<b>c</b>	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>6</b>	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):		
<b>a</b>	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b>	<input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b>	<input type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b>	<input type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b>	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b>	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b>	<input type="checkbox"/> Prioritization of health needs in its community		
<b>h</b>	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>7</b>	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	<b>7</b>	✓
<b>8a</b>	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	<b>8a</b>	✓
<b>b</b>	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	<b>8b</b>	
<b>c</b>	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? . . . . .	9	✓
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care: <u>2</u> <u>5</u> <u>0</u> % If "No," explain in Section C the criteria the hospital facility used.	10	✓
11	Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>4</u> <u>0</u> <u>0</u> % If "No," explain in Section C the criteria the hospital facility used.	11	✓
12	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply):	12	✓
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Section C)		
13	Explained the method for applying for financial assistance? . . . . .	13	✓
14	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	14	✓
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input checked="" type="checkbox"/> Other (describe in Section C)		
<b>Billing and Collections</b>			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	15	✓
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged:	17	✓
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

**Part V Facility Information** *(continued)***18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a** ☒ Notified individuals of the financial assistance policy on admission  
**b** ☒ Notified individuals of the financial assistance policy prior to discharge  
**c** ☒ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills  
**d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy  
**e** ☐ Other (describe in Section C)

**Policy Relating to Emergency Medical Care**

**19** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

	Yes	No
<b>19</b>	✓	

If "No," indicate why:

- a** ☐ The hospital facility did not provide care for any emergency medical conditions  
**b** ☐ The hospital facility's policy was not in writing  
**c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)  
**d** ☐ Other (describe in Section C)

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

**20** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged  
**b** ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged  
**c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged  
**d** ☒ Other (describe in Section C)

**21** During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

<b>21</b>		✓
-----------	--	---

If "Yes," explain in Section C.

**22** During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .

<b>22</b>		✓
-----------	--	---

If "Yes," explain in Section C.



**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Part V Section B 3-4. The community health needs assessment (CHNA) represented a comprehensive community-wide process where Holy Spirit Health System, Penn State Milton S. Hershey Medical Center, and Pinnacle Health System connected with a wide range of public and private organizations such as educational institutions, health-related professionals, local government officials, human service organizations, and faith based organizations to evaluate the community's health and social needs. The assessment included primary data collection, interviews with stakeholders, focus groups with key audiences, and community forums. The CHNA report was issued in September 2012 and addressed the Dauphin, Cumberland, Perry, Lebanon, and the northern tier of York Counties.

Part V Section B 6-7. A comprehensive Implementation Plan with associated strategies and goals was developed, approved and published on our website in June 2013. Internal monitoring and tracking is on-going as part of the 3 year implementation process.

The identified need of Community Mental Health was not addressed within this plan. The Medical Center participates in the Pennsylvania Psychiatric Institute, a separate legal entity, that specifically addresses this issue.

**Part V Facility Information** *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? \_\_\_\_\_

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I - All financial data in Schedule H refers only to the Milton S. Hershey Medical Center - 7f Total Expenses include total Operating

Expenses of the Medical Center and the fund transfers to the College of Medicine.

Total Financial Assistance and Certain Other Community Benefits at Cost is 12.0 % of Total Operating Expenses, when the fund transfers supporting the Health Education and Research programs (\$74,286,540) managed by College of Medicine are included.

Pt. V Financial Assistance Policy #14: The hospital facility does not attach the actual policy to billing invoices, post in ED, waiting rooms, or Admissions, however our patient invoices, flyers and brochures indicate that financial assistance is available to patients who cannot afford to pay their medical bills.

Pt. V Charges to individuals eligible for assistance under the FAP (FAP eligible individuals) #20: PSHMC intentionally keeps charges well below average (31 percentile compared to our peers). Our charge structure factors in the amounts charged to FAP eligible individuals.

Part III Sec B.8 Hospital Medicare costs were calculated using MCCR (as filed) Schedule B1, total costs, subtracting out GME costs (reported part 1, 7f) and then multiplying that result by the Medicare payer mix for the hospital entity. Professional Medicare costs were calculated by taking the total WRVU for the professional entity and multiplying that result by the Average cost per WRVU (including malp costs) that result is then calculated by the medicare payer mix for the professional entity.

Part III Sec A.3 Bad Debt & Charity Care - Attached Appendix A



**Schedule H (Form 990) 2013**

**Part VI Supplemental Information**  
**Appendix A**

**Bad Debts** — Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of patient accounts receivable, management analyzes past history and identifies trends for each major payor source of revenue to estimate the appropriate allowance for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, management analyzes contractually due amounts and provides an allowance for doubtful accounts (for example, for expected uncollectible deductibles and copayments or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables from self-pay patients the Medical Center and Health System records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. In estimating the allowance for doubtful accounts, account age is taken into consideration. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

**Charity Care** — The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. The Medical Center does not pursue collection of amounts determined to qualify as charity care and is based on a ratio of the Medical Center's operational costs to its gross charges.

SCHEDULE I  
(Form 990)

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

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

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2013

Open to Public  
Inspection

Name of the organization

Employer identification number

The Pennsylvania State University

246000376

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

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

Cat. No. 5005SP

Schedule I (Form 990) (2013)

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 Student Aid for Univ. enrollees	72644	1157481749			
2					
3					
4					
5					
6					
7					

**Part IV** **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Penn State participates in all the major federal and state student aid programs. Federal and state funding sources comprise 70 percent of all student aid at Penn State.

the majority of which is available in the form of federal education loans for students and parents. Eligibility for these programs is determined based on the information

students report on the Free Application for Federal Student Aid (FAFSA) each year, in accordance with federal and state regulations. Student aid funds are awarded

based on financial need and these limited funds are distributed first to students with the greatest financial need. The University has a wide array of monitoring

procedures and controls in place to ensure compliance with federal, state, and local laws as well as its own internal policies.



**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

The Pennsylvania State University

**Compensation Information**

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

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

24-6000376

**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 checked="" type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use          |
| <input checked="" type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence          |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" 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.

	Yes	No
1b	✓	

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

2	✓	
---	---	--

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

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

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

- |  |    |   |   |
|--|----|---|---|
| <b>a</b> Receive a severance payment or change-of-control payment?                             | 4a | ✓ |   |
| <b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | ✓ |   |
| <b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?    | 4c |   | ✓ |

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:

- |                                    |    |  |  |
|------------------------------------|----|--|--|
| <b>a</b> The organization?         | 5a |  |  |
| <b>b</b> Any related organization? | 5b |  |  |

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:

- |                                    |    |  |  |
|------------------------------------|----|--|--|
| <b>a</b> The organization?         | 6a |  |  |
| <b>b</b> Any related organization? | 6b |  |  |

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		
---	--	--

**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		
---	--	--

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

9		
---	--	--

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

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 Stephen Dunham	(i) 502730			23690	14201	540621	
	(ii)						
2 David Gray	(i) 377505		9638	29271	11087	427501	
	(ii)						
3 Nicholas Jones	(i) 235802		24673	21906	7506	289887	
	(ii)						
4 Rodney Kirsch	(i) 410700		403855	23690	22200	860445	
	(ii)						
5 Harold Paz	(i) 975006	438902	112400	23690	22455	1572453	
	(ii)						
6 Rod Erickson	(i) 608334		583109	78150	16100	1285693	
	(ii)						
7 Robert Pangborn	(i) 349608		26954	23690	20361	420613	
	(ii)						
8 Gary Schultz	(i)		478165			478165	
	(ii)						
9 Graham Spanier	(i) 600000		1668583	23690	6484	2298757	
	(ii)						
10 Bill O'Brien	(i) 193779	1350000	107877	23690	21006	3440352	
	(ii)						
11 Robert Harbaugh	(i) 838075	264125		32245	17507	1151952	
	(ii)						
12 Alan Brechbill	(i) 672531	306116	54588	32245	18507	1083987	
	(ii)						
13 Kevin Black	(i) 718525	198031		32245	18501	967302	
	(ii)						
14 Peter Dillon	(i) 697420	213854		32245	17510	961029	
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

**Part III** Supplemental Information

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

Part I, Question 1(a) - Payment of Expenses

Officers and other University employees utilize charter travel in limited instances where the business advantage justifies any additional cost incurred. Penn State

pays for spousal travel expense which serves a legitimate University business purpose. In addition, the University pays for a social club membership that its President and other

University personnel use primarily for business purposes.

Part I, Question 4(b) - Amounts included in compensation from participation in supplemental nonqualified retirement plan

Harold Paz - 65,030

Alan Brechbill - 58,707

Part I, Lines 4(a) & Part II, Line 9

Upon termination of his employment as University President, the University's 2010 employment agreement with Graham Spanier provides that he may continue as a tenured faculty member for five years at an annual base compensation rate of \$600,000.



**Part III** **Supplemental Information**

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

Part II & Part 1(a) - Rollout of Executive Life Insurance Plan

Rodney Erickson's other reportable compensation includes \$586,267 of taxable income reported by The Pennsylvania State University in 2013 relating to the rollout of a life insurance plan received in his capacity as a Penn State executive with a tenure of over 37 years.

Gary Schultz' other reportable compensation includes \$478,165 of taxable income reported by The Pennsylvania State University in 2013 relating to the rollout of a life insurance plan received in his capacity as a Penn State executive with a tenure of over 38 years.

Dr. Spanier's other reportable compensation includes \$1,670,548 of taxable income reported by The Pennsylvania State University in 2013 relating to the rollout of a life insurance plan received in his capacity as a University President for sixteen years.

As required under the executive life insurance plan agreements entered into in prior years, the University grossed-up income from policy rollouts to indemnify participants for resulting tax liability. Tax gross-ups are included in reportable compensation listed above.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
► Attach to Form 990. ► See separate instructions.  
► Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number  
24-6000376

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A Pennsylvania State University	24-6000376	709235UG	2010	145004581	Construction & renovation						
B Pennsylvania State University	24-6000376	709235TM	2009	149999437	Construction & renovation						
C Pennsylvania State University	24-6000376	709235TQ	2009	75004075	Refunding - 2001 series bonds						
D Pennsylvania State University	24-6000376	709235SD	2008	80570622	Construction & renovation						

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired . . . . .				23985000				
2 Amount of bonds legally defeased . . . . .								
3 Total proceeds of issue . . . . .		145265300		149999437		75004075		81394067
4 Gross proceeds in reserve funds . . . . .								
5 Capitalized interest from proceeds . . . . .								
6 Proceeds in refunding escrows . . . . .								
7 Issuance costs from proceeds . . . . .		995475		916379		4075		555090
8 Credit enhancement from proceeds . . . . .								
9 Working capital expenditures from proceeds . . . . .								
10 Capital expenditures from proceeds . . . . .		144269825		149083058		0		80838977
11 Other spent proceeds . . . . .								
12 Other unspent proceeds . . . . .								
13 Year of substantial completion . . . . .	2012		2011		2010		2010	
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue? . . . . .		✓		✓		✓		✓
15 Were the bonds issued as part of an advance refunding issue? . . . . .		✓		✓		✓		✓
16 Has the final allocation of proceeds been made? . . . . .	✓		✓		✓		✓	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	✓		✓		✓		✓	

**Part III Private Business Use**

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

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

Cat. No. 50193E

Schedule K (Form 990) 2013

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? . . . . .								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? . . . . .								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . .		0 %		0 %		0 %		0 %
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . .		0 %		0 %		0 %		0 %
<b>6</b> Total of lines 4 and 5 . . . . .		0 %		0 %		0 %		0 %
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .		✓		✓		✓		✓
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		✓		✓		✓		✓
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .		✓		✓		✓		✓

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		✓		✓		✓		✓
<b>2</b> If "No" to line 1, did the following apply? . . . . .								
<b>a</b> Rebate not due yet? . . . . .		✓		✓		✓		✓
<b>b</b> Exception to rebate? . . . . .	✓		✓		✓		✓	
<b>c</b> No rebate due? . . . . .		✓		✓		✓		✓
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .		✓		✓		✓		✓
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? . . . . .		✓		✓		✓		✓
<b>b</b> Name of provider . . . . .								
<b>c</b> Term of hedge . . . . .								
<b>d</b> Was the hedge superintegrated? . . . . .								
<b>e</b> Was the hedge terminated? . . . . .								

**Part IV Arbitrage (Continued)**

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

**Part V Procedures To Undertake Corrective Action**

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

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

The University monitors tax exempt bonds to ensure compliance with federal tax law, including arbitrage and private business use requirements.



**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

The Pennsylvania State University

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A Pennsylvania State University	24-6000376	709235SN	2008	8415881	Construction & renovation		✓		✓		✓
B Pennsylvania State University	24-6000376	709235QG	2007	90595737	Construction & renovation		✓		✓		✓
C Pennsylvania State University	24-6000376	709235RD	2007	88867806	Refunding - 1997 series bonds		✓		✓		✓
D Pennsylvania State University	24-6000376	709235PJ	2005	102675408	Construction		✓		✓		✓

Employer identification number  
24-6000376

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired . . . . .		4330000		2445000		16510000		12475000
2 Amount of bonds legally defeased . . . . .								
3 Total proceeds of issue . . . . .		8415881		93494516		88867806		103988937
4 Gross proceeds in reserve funds . . . . .								
5 Capitalized interest from proceeds . . . . .								
6 Proceeds in refunding escrows . . . . .		8363935				88342131		
7 Issuance costs from proceeds . . . . .		51946		584943		525675		594918
8 Credit enhancement from proceeds . . . . .								
9 Working capital expenditures from proceeds . . . . .								
10 Capital expenditures from proceeds . . . . .				92909573				103404019
11 Other spent proceeds . . . . .								
12 Other unspent proceeds . . . . .								
13 Year of substantial completion . . . . .	2008		2009		2007		2007	
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue? . . . . .	✓			✓		✓		✓
15 Were the bonds issued as part of an advance refunding issue? . . . . .		✓		✓		✓		✓
16 Has the final allocation of proceeds been made? . . . . .	✓		✓		✓		✓	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	✓		✓		✓		✓	

**Part III Private Business Use**

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

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

Cat. No. 50193E

Schedule K (Form 990) 2013

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

**Supplemental Information on Tax-Exempt Bonds**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? . . . . .								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		✓
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? . . . . .								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . .		0 %		0 %		0 %		0 %
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . .		0 %		0 %		0 %		0 %
<b>6</b> Total of lines 4 and 5 . . . . .		0 %		0 %		0 %		0 %
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .		✓		✓		✓		✓
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		✓		✓		✓		✓
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .		✓		✓		✓		✓

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		✓		✓		✓		✓
<b>2</b> If "No" to line 1, did the following apply? . . . . .								
<b>a</b> Rebate not due yet? . . . . .		✓		✓		✓		✓
<b>b</b> Exception to rebate? . . . . .	✓		✓		✓		✓	
<b>c</b> No rebate due? . . . . .		✓		✓		✓		✓
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .		✓		✓		✓		✓
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? . . . . .		✓		✓		✓		✓
<b>b</b> Name of provider . . . . .								
<b>c</b> Term of hedge . . . . .								
<b>d</b> Was the hedge superintegrated? . . . . .								
<b>e</b> Was the hedge terminated? . . . . .								



**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number  
24-6000376

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A Pennsylvania State University	24-6000376	709235NR	2004	65024774	Construction		✓		✓		✓
B PA Higher Ed Facilities Authority	52-1558022	70917PHF	2006	4819645	Sprinkler system installation		✓		✓		✓
C PA Higher Ed Facilities Authority	52-1558022	70917NH2	2004	5600000	Sprinkler system installation		✓		✓		✓
D											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired . . . . .		9165000		1155000		1695000		
2 Amount of bonds legally defeased . . . . .								
3 Total proceeds of issue . . . . .		65394401		4826567		5608019		
4 Gross proceeds in reserve funds . . . . .								
5 Capitalized interest from proceeds . . . . .								
6 Proceeds in refunding escrows . . . . .								
7 Issuance costs from proceeds . . . . .		432890		110389		161241		
8 Credit enhancement from proceeds . . . . .								
9 Working capital expenditures from proceeds . . . . .								
10 Capital expenditures from proceeds . . . . .		64961511		4716178		5446778		
11 Other spent proceeds . . . . .								
12 Other unspent proceeds . . . . .								
13 Year of substantial completion . . . . .	2006		2008		2006			
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue? . . . . .		✓		✓		✓		
15 Were the bonds issued as part of an advance refunding issue? . . . . .		✓		✓		✓		
16 Has the final allocation of proceeds been made? . . . . .	✓		✓		✓			
17 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	✓		✓		✓			

**Part III Private Business Use**

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

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

Cat. No. 50193E

Schedule K (Form 990) 2013



**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? . . . . .								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .		✓		✓		✓		
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? . . . . .								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . .		0 %		0 %		0 %		0 %
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . .		0 %		0 %		0 %		0 %
<b>6</b> Total of lines 4 and 5 . . . . .		0 %		0 %		0 %		0 %
<b>7</b> Does the bond issue meet the private security or payment test? . . . . .		✓		✓		✓		✓
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		✓		✓		✓		✓
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .								
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .		✓		✓		✓		✓

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		✓		✓		✓		✓
<b>2</b> If "No" to line 1, did the following apply? . . . . .								
<b>a</b> Rebate not due yet? . . . . .		✓		✓		✓		✓
<b>b</b> Exception to rebate? . . . . .	✓		✓		✓		✓	
<b>c</b> No rebate due? . . . . .		✓		✓		✓		✓
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
<b>3</b> Is the bond issue a variable rate issue? . . . . .		✓		✓		✓		✓
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? . . . . .		✓		✓		✓		✓
<b>b</b> Name of provider . . . . .								
<b>c</b> Term of hedge . . . . .								
<b>d</b> Was the hedge superintegrated? . . . . .								
<b>e</b> Was the hedge terminated? . . . . .								



**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**  
▶ **Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2013**

**Open To Public Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number

24-6000376

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958. . . . . ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$

**Part II Loans to and/or From Interested Persons.**  
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b> . . . . . ▶						\$						

**Part III Grants or Assistance Benefiting Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Michele Kirsch	see below	93738	Employment		✓
(2) Sandra Spanier	see below	154183	Employment		✓
(3) Jeffrey Erickson	see below	157080	Employment		✓
(4) Margaret Gray	see below	82327	Employment		✓
(5) PSRP Developers, Inc.	see below	382759	Rental receipts & expen		✓
(6) PSRP Developers, LLC	see below	344018	Rental receipts & expen		✓
(7) BNY Mellon	see below	2565500	Banking fees		✓
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions).

Part IV(1) - Spouse of Rod Kirsch, Senior VP - Development. Dr. Michele Kirsch is the Associate Dean for Student Affairs

for the Schreyer Honors College.

Part IV(2) - Spouse of Graham Spanier, former University President. Dr. Sandra Spanier is a Professor of

English.

Part IV(3) - Son of Rodney Erickson, University President. Professor Jeffrey Erickson is Director of the University's

International Sustainable Projects Law Clinic and a supervising faculty attorney in the Rural

Economic Development Clinic.

Part IV(4) - Spouse of David Gray, Senior VP - Finance and Business/Treasurer. Mrs. Margaret Gray was the University's

Director of Policy and Administration of Penn State's Network on Child Protection and Well-Being.

Part IV(5) - Entity of which Trustee Ira Lubert is an officer. PSRP Developers, Inc. collected \$413,875 of real

property rental payments and paid the University rental payments \$31,116 relating to Research Park

lease arrangements. The University's relationship with PSRP Developers, Inc. existed prior to

Mr. Lubert becoming a University Trustee.



**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions).

Part IV(6) - Partnership is 33 1/3% owned by Trustee Ira Lubert. PSRP Developers, LLC collected \$375,110 of real

property rental payments during the year and paid the University rental payments of \$31,092 relating

to Research Park lease arrangements. The University's relationship with PSRP Developers, LLC existed

prior to Mr. Lubert becoming a University Trustee.

Part IV(7) - Entity of which Trustee Karen Peetz is an officer. BNY Mellon performed a wide variety of banking

investment, cash management, and underwriting services for the University during the year. The

University's financial service arrangement with BNY Mellon existed prior to Ms. Peetz becoming a

University Trustee.

All transactions between the University and "interested persons" described in the question are conducted at arm's length

for good and sufficient consideration, and the University believes that the terms and conditions of such transactions

have been fair and reasonable.

**SCHEDULE M**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Noncash Contributions**

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.  
▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open To Public  
Inspection**

Employer identification number

**Part I** **Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .				
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .	✓		26940976	fair market value
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ ( not securities ) . . . . .	✓		59042165	fair market value
26 Other ▶ ( ) . . . . .				
27 Other ▶ ( ) . . . . .				
28 Other ▶ ( ) . . . . .				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . . **29**

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

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

The University only tracks non-cash contributions as other securities or other gifts in-kind.

**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.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

The Pennsylvania State University

Employer identification number

24-6000376

**Part IV, Line 1 - Described in section 501(c)(3)**

The University is exempt from federal income tax as a governmental entity under IRC section 115. It is an instrumentality  
of the Commonwealth of Pennsylvania.

**Part VI, Line 7(a) - Election of Governing Body**

Penn State's 33-member Board of Trustees is composed of the following: Six trustees serve in an ex officio capacity by  
virtue of their position within the University or the Commonwealth of Pennsylvania. They are the President of the University  
(non-voting); the Governor of the Commonwealth (non-voting); the Governor's non-voting representative, and the state secretaries of  
the departments of Agriculture; Education; and Conservation and Natural Resources. Six trustees are appointed by the Governor;  
nine trustees are elected by the alumni; six are elected by organized agricultural societies within the Commonwealth; and  
six are elected by the Board of Trustees representing business and industry.

**Part VI, Line 11(b) - Form 990 Review**

A draft of the organization's form 990 was provided to Board members and reviewed at a board meeting. Board members  
were able to ask questions and comment.

**Part VI, Line 12(c) - Monitoring of conflicts of interest**

Consistent with University bylaws, officers, trustees and key employees complete "Conflict of Interest Disclosure  
Verification" on an annual basis. This form provides for disclosure of family members and/or related businesses having  
dealings with the University.

**Part VI, Line 15(a & b) - Determination of Officer Compensation**

The compensation of University officers is determined by a compensation committee comprised of Board  
members who consider performance, salaries of executives in similar positions as well as the advice of outside  
advisors and data found in compensation surveys.



Name of the organization

The Pennsylvania State University

Employer identification number

24-6000376

## Part VI, Line 19 - Document availability to the public

The University makes its governing documents, conflict of interest policy, and financial statements available to the public upon request. In addition, financial statements are available on the University's website.

## Part VI, Line 4: Penn State Governance Changes

At its March 2014 meeting, the Board adopted changes to the Charter intended to promote broader participation by Penn State alumni in the annual election of trustees elected by alumni by providing that all qualified electors with a valid e-mail address on file in the University's alumni records receive an electronic ballot for both the nomination and election phase. Additionally, modifications to the Bylaws clarified issues to be brought to the Board for approval, rather than for information, specific to real estate transactions and other capital expenditures.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

The Pennsylvania State University

**Related Organizations and Unrelated Partnerships**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

24600037

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Penn State Hershey Endoscopy Center LLC 264000022 Hershey, PA 17033	Healthcare	PA	(125,632)	506452	PSHHS
(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) The Milton S. Hershey Medical Center 25-1854772 Hershey, PA 17033	Healthcare	PA	501(c)(3)	509(a)(1)	Penn State Univ	✓	
(2) The Corporation for Penn State 25-1500292 University Park, PA 16802	Holding company	PA	501(c)(3)	509(a)(3)	Penn State Univ	✓	
(3) Penn State Research Foundation 23-1359185 University Park, PA 16802	Research	PA	501(c)(3)	509(a)(3)	Corp for Penn S	✓	
(4) Pennsylvania College of Technology 23-2564508 Williamsport, PA 17701	Education	PA	501(c)(3)	509(a)(1)	Corp for Penn S	✓	
(5) Ben Franklin Tech. Ctr of Central and Northern PA 25-1618093 University Park, PA 16802	Technology	PA	501(c)(3)	509(a)(1)	Corp for Penn S	✓	
(6) Recycling Markets Center 20-2191485 Middletown, PA 17057	Promote Recycling	PA	501(c)(3)	509(a)(1)	Corp for Penn S	✓	
(7) Pennsylvania College of Technology Community Arts Center, Inc Williamsport, PA 17701 23-2617447	Art Center	PA	501(c)(3)	509(a)(1)	Corp for Penn S	✓	

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

Cat. No. 50135Y

Schedule R (Form 990) 2013

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Related Organizations and Unrelated Partnerships**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

24500037

The Pennsylvania State University

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) _____					
(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?
(1) The Pennsylvania State University Philanthropic Fund University Park, PA 16802 27-4628784	Fundraising	PA	501(c)(3)	509(a)(1)	Corp for Penn S	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
(2) _____						
(3) _____						
(4) _____						
(5) _____						
(6) _____						
(7) _____						

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

Cat. No. 50135Y

Schedule R (Form 990) 2013

**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) Disproportionate 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) HOSC Hershey, PA 17033	Medical	PA	PSHHS	Related	5705199	1214607		✓	N/A		✓	72
(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	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) Research Park Mgmt. Corp 25-1625896 University Park, PA 16802	Real Estate	PA	Corp for P.S.	C corp	454891	1442851	100%	✓	
(2) Research Park Hotel Corp. 25-1673018 University Park, PA 16802	Hotel	PA	Res Park Mgt.	C corp	3381097	23391793	100%	✓	
(3) Penn State Hershey Health Systems 25-1769611 University Park, PA 16802	Healthcare	PA	Corp for P.S.	C corp	2330268	1426000	100%	✓	
(4) Nittany Insurance Company 25-1718998 Burlington, VT 05606-4119	Insurance	PA	Corp for P.S.	C corp	192753	26791133	100%	✓	
(5) PS Research Park Tech. Center 25-1723275 University Park, PA 16802	Condo Mgmt.	PA	Corp for P.S.	C corp	0	0	100%	✓	
(6) _____	_____	_____	_____	_____	_____	_____	_____		
(7) _____	_____	_____	_____	_____	_____	_____	_____		



**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		Yes	No
<b>a</b>	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>b</b>	Gift, grant, or capital contribution to related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>c</b>	Gift, grant, or capital contribution from related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>d</b>	Loans or loan guarantees to or for related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>e</b>	Loans or loan guarantees by related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>f</b>	Dividends from related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>g</b>	Sale of assets to related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>h</b>	Purchase of assets from related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>i</b>	Exchange of assets with related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>j</b>	Lease of facilities, equipment, or other assets to related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>k</b>	Lease of facilities, equipment, or other assets from related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>l</b>	Performance of services or membership or fundraising solicitations for related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>m</b>	Performance of services or membership or fundraising solicitations by related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>n</b>	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>o</b>	Sharing of paid employees with related organization(s) . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>p</b>	Reimbursement paid to related organization(s) for expenses . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>q</b>	Reimbursement paid by related organization(s) for expenses . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>r</b>	Other transfer of cash or property to related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>s</b>	Other transfer of cash or property from related organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**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 related organization	(b) Transaction type (a–s)	(c) Amount involved	(d) Method of determining amount involved
(1) The Milton S. Hershey Medical Center	d	24864000	FMV
(2) The Milton S. Hershey Medical Center	a,i,n,o,r	62379524	FMV
(3) Ben Franklin Tech Ctr of Central and Northern PA	g,i,l,n,o,r	3617560	FMV
(4) Penn State Hershey Health System	a,d	4390698	FMV
(5) Nittany Insurance Company	c,r	2738247	FMV
(6) The Corporation for Penn State	m,s	15759	FMV

**Part V** Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity . . . . .	<b>1a</b>	
<b>b</b> Gift, grant, or capital contribution to related organization(s) . . . . .	<b>1b</b>	
<b>c</b> Gift, grant, or capital contribution from related organization(s) . . . . .	<b>1c</b>	
<b>d</b> Loans or loan guarantees to or for related organization(s) . . . . .	<b>1d</b>	
<b>e</b> Loans or loan guarantees by related organization(s) . . . . .	<b>1e</b>	
<b>f</b> Dividends from related organization(s) . . . . .	<b>1f</b>	
<b>g</b> Sale of assets to related organization(s) . . . . .	<b>1g</b>	
<b>h</b> Purchase of assets from related organization(s) . . . . .	<b>1h</b>	
<b>i</b> Exchange of assets with related organization(s) . . . . .	<b>1i</b>	
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) . . . . .	<b>1j</b>	
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) . . . . .	<b>1k</b>	
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) . . . . .	<b>1l</b>	
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) . . . . .	<b>1m</b>	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .	<b>1n</b>	
<b>o</b> Sharing of paid employees with related organization(s) . . . . .	<b>1o</b>	
<b>p</b> Reimbursement paid to related organization(s) for expenses . . . . .	<b>1p</b>	
<b>q</b> Reimbursement paid by related organization(s) for expenses . . . . .	<b>1q</b>	
<b>r</b> Other transfer of cash or property to related organization(s) . . . . .	<b>1r</b>	
<b>s</b> Other transfer of cash or property from related organization(s) . . . . .	<b>1s</b>	

**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 related organization	(b) Transaction type (a–s)	(c) Amount involved	(d) Method of determining amount involved
(1) Penn State Research Foundation		i,m,n,o,q,r,s	1121917	FMV
(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) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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		Yes	No	
(1) .....													
(2) .....													
(3) .....													
(4) .....													
(5) .....													
(6) .....													
(7) .....													
(8) .....													
(9) .....													
(10) .....													
(11) .....													
(12) .....													
(13) .....													
(14) .....													
(15) .....													
(16) .....													

**Part VII**

**Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions).

Area for supplemental information with horizontal dashed lines.



## Section 2:

### The salaries of all officers and directors of the State-related institution.

\*No member of the Board of Trustees received a salary for services rendered as a Trustee.

<u>Name</u>		<u>Salary</u>
Rodney Erickson	President of the University	608,334
Stephen Dunham	VP & General Counsel	507,504
David Gray	Sr. VP - Finance & Business	377,505
Nicholas Jones	Executive VP & Provost	235,802
Rod Kirsch	Sr. VP - Development	410,700
Harold Paz	CEO - Hershey Medical Center	975,006

## Section 3:

The highest 25 salaries paid to employees of the institution that are not included under Section 2.

<u>Employee</u>		<u>Salary</u>
Bill O'Brien	Head Football Coach	1,937,779
Robert Harbaugh, M.D.	Chair Department of Neurosurgery	838,075
John Myers, M.D.	Staff Physician - Pediatric Surgery	759,084
Kevin Black, M.D.	Chair Orthopaedics/Rehabilitation	718,525
Peter Dillon, M.D.	Chair Department of Surgery	697,420
Alan Brechbill	Executive Director - MSHMC	672,531
Jonas Sheehan, M.D.	Staff Physician - Neurosurgery	659,905
William Hennrikus, M.D.	Staff Physician - Orthopaedics	644,497
Douglas Armstrong, M.D.	Staff Physician - Orthopaedics	634,497
Lawrence Sinoway, M.D.	Director Penn State Heart & Vascular Institute	612,048
Graham Spanier	President Emeritus	600,000
Walter Pae, M.D.	Staff Physician - Heart and Vascular Institute	576,232
Kathleen Eggli, M.D.	Chair Department of Radiology	576,203
John Reid, M.D.	Staff Physician - Orthopaedics	567,812
Carol Copeland, M.D.	Staff Physician - Orthopaedics	552,230
Kevin Cockroft, M.D.	Staff Physician - Neurosurgery	551,960
James McInerney, M.D.	Staff Physician - Neurosurgery	548,985
Carlo de Luna, M.D.	Staff Physician - Neurosurgery	540,030
David Quillen, M.D.	Chair Department of Ophthalmology	534,102
Joseph Clark	Staff Physician - Pediatric Surgery	533,821
Berend Mets, M.B.	Chair Department of Anesthesiology	530,774
Walter Koltun, M.D.	Staff Physician - Colorectal Surgery	525,439
Timothy Reiter	Staff Physician - Neurosurgery	515,101
Mario Gonzalez	Staff Physician - Heart and Vascular Institute	505,366
James Fick, M.D.	Staff Physician - Neurosurgery	505,023