

Short Form

Return of Organization Exempt From Income Tax

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

OMB No 1545-1150

2008

Open to Public Inspection

Form 990-EZ

Department of the Treasury Internal Revenue Service

Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form. The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2008 calendar year, or tax year beginning and ending

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending. C Name of organization: THE SYSTEM DYNAMICS SOCIETY, INC. C/O ALEXANDER L. PUGH, III. D Employer identification number: 22-2738769. E Telephone number: (518) 442-3865. F Group Exemption Number.

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

G Accounting method: Cash [] Accrual [X] Other (specify)

I Website: WWW.SYSTEMDYNAMICS.ORG. H Check [] if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

J Organization type (check only one) [X] 501(c) (3) (insert no.) [] 4947(a)(1) or [] 527. K Check [] if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$1,000,000 or more, file Form 990 instead of Form 990-EZ. \$ 317,866.

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

Table with 21 rows for Revenue, Expenses, and Net Assets. Revenue total: 317,866. Expenses total: 415,976. Net assets at end of year: 625,056.

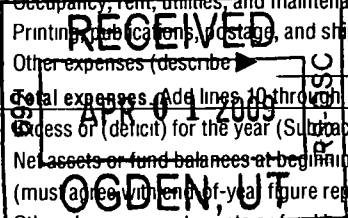
Part II Balance Sheets. If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ.

Table with 27 rows for Balance Sheets. Total assets: 667,509. Total liabilities: 42,453. Net assets at end of year: 625,056.

832171 12-17-08 LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

807 Form 990-EZ (2008)

SCANNED APR 13 2009



THE SYSTEM DYNAMICS SOCIETY, INC.

Form 990-EZ (2008)

C/O ALEXANDER L. PUGH, III

22-2738769 Page 2

Part III Statement of Program Service Accomplishments (See the instructions for Part III.)		Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)
What is the organization's primary exempt purpose? SEE STATEMENT 7		
Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.		
28	GENERAL SERVICES TO MEMBERS, INCLUDING MEMBERSHIP, JOURNAL MAILINGS AND CONFERENCE FEES. (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	28a 145,914.
29	MAILINGS OF PROGRAM INFORMATION AND ITEMS FOR RESALE (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	29a 3,092.
30	PUBLICATION OF SYSTEMS DYNAMICS MEMBERSHIP DIRECTORY. (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	30a 22,215.
31	Other program services (attach schedule) SEE STATEMENT 8 (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	31a 98,777.
32	Total program service expenses (add lines 28a through 31a)	32 269,998.

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated (See the instructions for Part IV)				
(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-.)	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JAMES M. LYNEIS, P.O. BOX 121, 215 LANDGROVE ROAD, WESTON, VT 05161	PRESIDENT	0.00	0.	0.
ERLING MOXNES, UNIVERSITY OF BERGEN, DEPT OF GEOGRAPHY, FOSSWINCKELSGT 6	PRESIDENT ELECT	0.00	0.	0.
QIFAN WANG, ROOM 1701 BUILDING I LANE 1235, LU JIA BANG RD	PAST PRESIDENT	0.00	0.	0.
JAY W. FORRESTER, NEWBURY COMMONS SUITE 442, 80 DEACONESS ROAD,	FOUNDING PRESIDENT	0.00	0.	0.
DAVID W. PACKER 7 CHESTNUT LANE, BEDFORD, MA 01730	SECRETARY	0.00	0.	0.
R. JOEL RAHN 4636 SUGAR MAPLE DRIVE	VICE PRESIDENT AT LARGE	0.00	0.	0.
TIM HASLETT 1/164 HIGHETT STREET	VICE PRESIDENT CHAPTER ACT	0.00	0.	0.
ROBERT L. EBERLEIN 17 LOKER STREET, WAYLAND, MA 01778	VICE PRESIDENT ELECTRONIC	0.00	0.	0.
DAVID F. ANDERSEN, UNIVERSITY AT ALBANY, 101 MILNE HALL, 135 WESTERN	VICE PRESIDENT FINANCE	0.00	0.	0.
ANDREAS GROBLER, RADBOUD UNIVERSITY NIJMEGAN, POSTBUS 9108	VICE PRESIDENT MEETINGS	0.00	0.	0.
DEBORAH LINES ANDERSEN, UNIVERSITY AT ALBANY, 113 DRAPER HALL, 135	VICE PRESIDENT MEMBER SERV	0.00	0.	0.
DEBORAH CAMPBELL, 1569 VIREO AVENUE, SUNNYVALE, CA 94087	VICE PRESIDENT MEMBER SERV	0.00	0.	0.
BRIAN C. DANGERFIELD, UNIVERSITY OF SALFORD, SALFORD BUSINESS SCHOOL	SYSTEM DYNAMICS REVIEW EXE	0.00	0.	0.

Part V Other Information (Note the statement requirements in the instructions for Part VI.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
a	Did the organization have unrelated business gross income of \$1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Sch. N		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0.		
b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved ▶ 38b N/A		
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9 ▶ 39a N/A		
b	Gross receipts, included on line 9, for public use of club facilities ▶ 39b N/A		
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.		
b	Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete Schedule L, Part I		X
c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.		
d	Enter amount of tax on line 40c reimbursed by the organization ▶ 0.		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T		X
41	List the states with which a copy of this return is filed. ▶ MA		
42a	The books are in care of ▶ ROBERTA SPENCER, EXECUTIVE DIRECTOR Telephone no. ▶ 518-442-3865 Located at ▶ UNIVERSITY AT ALBANY, SUNY, ALBANY, NY ZIP + 4 ▶ 12222		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	If "Yes," enter the name of the foreign country: ▶		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.?		X
	If "Yes," enter the name of the foreign country: ▶		
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43 N/A		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ		X

Part VI Section 501(c)(3) organizations only. All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51

- | | | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 46 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 | 46 | | X |
| 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II | 47 | | X |
| 48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 48 | | X |
| 49a Did the organization make any transfers to an exempt non-charitable related organization? | 49a | | X |
| b If "Yes," was the related organization(s) a section 527 organization? | 49b | | |
- 50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
NONE				
Total number of other employees paid over \$100,000 ▶				

- 51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
NONE		
Total number of other independent contractors each receiving over \$100,000 ▶		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Date March 23, 2009

Robert L. Spencer
Signature of officer

Robert L. Spencer, Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Andrew F. Hall III Date: 03/04/09 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: ANDREW F. HALL, III
83 CAMBRIDGE ST, STE 3D
BURLINGTON, MA 01803

Preparer's Identifying Number (See instr.): 04-2545738
Phone no.: 781-272-7500

May the IRS discuss this return with the preparer shown above? See instructions ▶ Yes No

THE SYSTEM DYNAMICS SOCIETY, INC.

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	113,384.	179,618.	119,129.	120,707.	106,071.	638,909.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	327,598.	246,185.	240,331.	406,721.	351,428.	1,572,263.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 - 5	440,982.	425,803.	359,460.	527,428.	457,499.	2,211,172.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						2,211,172.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	440,982.	425,803.	359,460.	527,428.	457,499.	2,211,172.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,443.	11,257.	14,744.	19,762.	20,576.	69,782.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	3,443.	11,257.	14,744.	19,762.	20,576.	69,782.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						2,280,954.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	96.94 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	97.92 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	3.06 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	2.08 %

19a **33 1/3% support tests - 2008.** 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 - 2007.** 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

m244

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

FORM 990-EZ	OTHER EXPENSES	STATEMENT	1
DESCRIPTION		AMOUNT	
ADMINISTRATION		190,610.	
BANK FEES		14,865.	
CONFERENCES		98,777.	
FOREIGN TAXES		136.	
GRANTS AND AWARDS		6,297.	
OFFICE EXPENSES		2,312.	
TEACHING GAME		14,874.	
TRAVEL		5,152.	
TOTAL TO FORM 990-EZ, LINE 16		333,023.	

FORM 990-EZ	OTHER ASSETS	STATEMENT	2
DESCRIPTION		BEG. OF YEAR	END OF YEAR
ACCOUNTS RECEIVABLE		0.	1,171.
INVENTORY		0.	10,695.
PREPAID EXPENSES		38,938.	32,294.
MARKETABLE SECURITIES		650,822.	509,651.
OTHER DEPRECIABLE ASSETS		21.	0.
TOTAL TO FORM 990-EZ, LINE 24		689,781.	553,811.

FORM 990-EZ	OTHER LIABILITIES	STATEMENT	3
DESCRIPTION		BEG. OF YEAR	END OF YEAR
ACCOUNTS PAYABLE		0.	1,282.
DEFERRED REVENUE		0.	15,900.
MEMBERSHIPS SUBSCRIPTIONS PAYABLE		21,823.	19,957.
SALES TAX PAYABLE		85.	314.
ROYALTY PAYABLE		5,000.	5,000.
TOTAL TO FORM 990-EZ, LINE 26		26,908.	42,453.

FORM 990-EZ	OTHER REVENUE	STATEMENT	4
DESCRIPTION		AMOUNT	
RESALE OF RESEARCH		150,937.	
CONFERENCES		156,401.	
PUBLICATIONS		44,090.	
UNREALIZED LOSS ON SECURITIES		-160,212.	
MISCELLANEOUS		3.	
INTEREST AND DIVIDENDS		20,576.	
TOTAL TO FORM 990-EZ, LINE 8		211,795.	

FORM 990-EZ	OCCUPANCY, RENT, UTILITIES AND MAINTENANCE	STATEMENT	5
DESCRIPTION		AMOUNT	
DEPRECIATION		21.	
TOTAL TO FORM 990-EZ, LINE 14		21.	

FORM 990-EZ

INFORMATION REGARDING TRANSFERS
ASSOCIATED WITH PERSONAL BENEFIT CONTRACTS

STATEMENT 6

A) DID THE ORGANIZATION, DURING THE YEAR, RECEIVE ANY FUNDS,
DIRECTLY OR INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL
BENEFIT CONTRACT? [] YES [X] NO

B) DID THE ORGANIZATION, DURING THE YEAR, PAY PREMIUMS,
DIRECTLY OR INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT? . . [] YES [X] NO

TO ENCOURAGE THE DEVELOPMENT AND USE OF SYSTEM DYNAMICS IN SOLVING PROBLEMS
IN SUCH AREAS AS ENVIRONMENTAL CHANGE, ECONOMIC DEVELOPMENT, SOCIAL UNREST,
URBAN DECAY, PSYCHOLOGY AND PHYSIOLOGY.

FORM 990-EZ

OTHER PROGRAM SERVICES

STATEMENT 8

DESCRIPTION

GRANTS

EXPENSES

CONFERENCES

0.

98,777.

TOTAL TO FORM 990-EZ, LINE 31

98,777.