be employed in the business, friends may be assisted, and business acquaintances may be accommodated.

When we first started this thing, I saw one poop sheet where a lawyer said that a foundation was a good device for taking care of sorry relatives, if you happen to have any. Here you say you can "make grants not constituting income to family"; "look after family's pet charities or worthy causes"; "income splitting through salaries to family members"; and "use of foundation to improve your family's cash position." All these are explained. I am just reading the headings:

REDUCE ESTATE TAX

1. The family may remain in full voting control.
2. The family has a pleasant partner, managed by gentle hands.
3. The family may reap the benefit of any increases in the value of the equity.
4. If further inflation should come, it is the family which can become entitled to receive the benefit of the increase in monetary value of the company.
5. No working capital is lost by the venture; and
6. The foundation may even be used as a vehicle for the employment of associates and relatives. House Report No. 2681—83rd Congress, Second Session, 1954, Page 6.

Most useful, provide non-income corporation fringe benefits to family-employees which reduces need for drawing taxable salary.

Foundations may provide health insurance for an employee-family member. IRC 105

A foundation employee may live rent free.

The Treasury department has this to say:

The value of lodging furnished to an employee by an employer shall be excluded from the employee's gross income if three tests are met:

(1) the lodging is furnished on the business premises of the employer.
(2) the lodging is furnished for the convenience of the employer.
(3) the employee is required to accept such lodging as a condition of employment. Regs. § 1.119–1(b)

Not only may a creator draw benefits from his controlled foundation, but he may also draw benefits from a foundation owned or controlled business corporation. The corporation may be used to satisfy dominant individual's desires, ranging from furnishing his home to allowing excessive executive compensation.—U.C.L.A. Law Review, May, 1966. Page 951

Business corporations can accumulate income since former Shareholders may be employed at adequate salaries.

Properly done you may even arrange for an annuity to a family member of foundation.

Use it to take advantage of high appreciation of assets.

Use Foundation funds for investment to increase wealth under your control.

The Foundation may provide "friendly" loans.

Benefits in operating business resulting from control over an exempt foundation.

Keep control in friendly hands over the generations.

Provide through deductions or other arrangements for reduction of corporation tax but keep money available.

Provide "good-will" assistance to keep workers happy.

Use it as source of "friendly financing" from tax-free accumulations.

Foundation's name on public service activities can create good will for business (e.g., Ford Foundation & Ford Motor Company).

Foundations can accumulate income and income so accumulated not subject to surtax and may be used for internal improvements.

It is many times the case that a business may be itself operated as an exempt organization.

Favorable Postage Rate.

May be exempt from certain state taxes, e.g., sales and realty taxes.

An exempt organization may be eligible to receive surplus government property.

A foundation need not pay social security tax, (i.e., the Federal Insurance Contributions Act).