

to file an annual form 990. Is there some vagueness about the law? Is the regulation clear?

Mr. COHEN. It is a rather curious thing. They may have said this, but most of the foundations we have found did file the 990-A's. One can speak a little more bravely than one can act on occasion, and the organizations, many of the organizations here were formed only recently. Most of them are less than a year old. So, I cannot tell you whether their 990-A is in the file or not until their year is up, until their filing period has run its course. But several organizations like this that were organized by people who subscribe to this particular service have filed returns.

Mr. MORTON. What about pension trusts and endowment funds of colleges, universities, churches, hospitals, and the like? Are they also required to file the same form?

Mr. COHEN. Some are, and some are not. The general educational institutions are not. Pension trusts; yes, sir. We can give you, if you like, a list of those who are required and those who are not. The statute is specific on that.

Mr. MORTON. For the foundations, there is no question?

Mr. COHEN. No doubt about it at all.

Mr. MORTON. What does this form include? What information is required?

Mr. COHEN. In the general statute—and I will read what the statute says. The form is more expansive than this: The statute says that gross income for the year, expenses attributable to income, disbursements, accumulated income, accumulation at the beginning of the year, within the year and at the beginning of the year, its disbursements out of principal for this year and prior years, a balance sheet, and the total contributions and gifts received during the year.

If you would like it for the record, we can submit a copy of the form 990-A. I think it might be helpful.

Mr. PATMAN. Yes, sir; we would like to have it inserted at this point, please.

Mr. COHEN. We will supply one.

(IRS Form 990-A appears as exhibit 9 at p. 1144.)

Mr. MORTON. Mr. Commissioner, the form 1040, such as I file, includes an addenda covering farm operations. It goes into great detail as to revenue and expenses of the farm I operate. Is there anything parallel to that in this form that goes into detail covering the expenses that are paid by a foundation, the principals, trustees or founders of the foundation, et cetera?

Mr. COHEN. Yes, sir. I will read some of the lines: "Gross receipts, cost of operation, gross profit, interest, dividends, rents, royalties, gain from sale of any assets, other income, expenses of earning income, expenses of distributing current and accumulated income, contributions, accumulation of income." The form has a supplemental schedule showing compensation of officers, other wages and salaries, interest, taxes, and rents that they might have paid. There are a number of questions on the back of the form.

One of the questions relates to any benefits that the founder or any person closely related to him might have received from the organization. If the box is checked, details are asked for.