organized and if you continue to properly operate. Up to this point in our coverage of foundation procedures we have been properly organizing your foundation. The next section will give you guides in how to properly operate. You may operate under the definitions of the Internal Revenue Code for as long as you wish without paying taxes, without paying social security and take advantage of all not-for-profit tax-exempt benefits without going to court or to the Internal Revenue Service for prior determination of tax-exempt status.

The primary disadvantage of lack of government "notice" is that the federal, state and local tax agencies might not recognize this tax-exemption without some inconvenience. It is therefore advantageous to obtain tax-exempt recognition from your federal, state and local governments. Of the many methods that ABC has researched and developed, only four represent practical methods to obtain tax-exempt recognition. These are determinations by:

1. State agencies
2. State courts