

status of your foundation). The court order is the strongest determination of exempt status.

The disadvantage to this procedure is that the strongest pressure occurs when the Internal Revenue Service attacks. Great patience by the foundation executives is usually necessary before the Internal Revenue Service does attack.

During the last few years foundations have grown from approximately 7,000 in 1952 to an estimated 106,000 in 1966. During this time the Internal Revenue Service has followed the activities of less than a thousand foundations. The Internal Revenue Service has audited less than 500 foundations each year. The Internal Revenue Service has brought less than 100 cases or attacks against foundations each year. This would mean that unless your foundation was one of the fewer than 100 chosen out of 100,000 each year you would have to wait to get your court order. As you can see, the odds are against the IRS litigating your foundation, but, if you choose this procedure always keep in mind that you are exempt without a court order if you are organized and are operating