Foundation Income Sources

The first order of management of any business is capitalization. Your foundation is no different. In other words, before your foundation can begin to operate it must have capital assets with which to finance the operations. These capital assets will come primarily from one or more of three sources. The sources are:

1. Contributions
2. Loans
3. Purchases

Contributions

The first tax-exempt source of income is capital gains, which will be briefly discussed in the section on "buying and selling property". A more familiar concept of capitalization, however, is from contributions. Contributions may be derived from many sources. It is recommended, however, that you do not create your foundation with intent to become a general solicitor. That is, ABC does not recommend that your foundation become a "tin cup" foundation. There is usually no reason for an operating foundation