such a request do not feel outraged - this is their right. It is suggested that there should be no abuse of these privileges or they may be lost to all. Most foundations only take advantage of these discounts when they are engaged in non-income producing activities, such as youth projects, libraries, or welfare.

Your foundation may occasionally sell equipment or small items of foundation property without a special resolution of the board of directors, but such sales if regularly carried on, should be examined for possible unrelated business income, which is taxable, or for collection and payment of state sales taxes from the purchaser. Major sales, such as the conveyance of real estate, large amounts or pieces of depreciable equipment, or large holdings of securities or other investments should generally be authorized by either a special resolution or general resolution of the board of directors.

Careful records of capital gains on all sales and purchases should be kept for two reasons.

1. The foundation should have accurate records