

securing real estate purchases with long term leases.

Your foundation, however, may conduct unrelated business activities without endangering or affecting the foundation's exempt status, if

1. the unrelated business activity does not constitute an overwhelming or primary part of the foundation's activities
2. the foundation reports and pays corporate taxes on the unrelated income by March 15 following every calendar fiscal year.

This unrelated business income is reported and the taxes are paid on form 990-T provided by the Internal Revenue Service.

We do not have the time to discuss details of taxation of unrelated business income. It is recommended that if you propose business activity that you consult with counsel to determine the tax status and reporting methods that are required. Your foundation has an automatic \$1,000 exemption from unrelated business income, and since it is taxed at corporate rates on the rest of its unrelated business income, your foundation may also take advantage of all of the conventional corporate tax deductions and