pay Federal Unemployment tax or Social Security tax unless it elects to do so.

An employee may accept or waive Social Security benefits at the time the foundation is initially formed or initially receives tax-exempt recognition. If the employee elects not to contribute to Social Security then the foundation employer is also exempt from the Social Security contribution. If the employee decides to elect to take Social Security then the employer (foundation) is subject to all the normal tax requirements. If one employee out of several decides to elect to take Social Security then all employees subsequently hired must take Social Security. In other words, once someone decides to pay Social Security all new employees must take Social Security. This election is filed on Form SS-15 with the Internal Revenue Service. IN ALL CASES IT MUST BE NOTED THAT WITHHOLDING OF FEDERAL INCOME TAX MUST BE MADE FROM ALL SALARIES PAID TO ALL EMPLOYEES.

Employees of foundations may be paid under any system convenient to the foundation. Payroll checks and accounting procedures would be the same for a

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