

Because Mr. Riches was still earning a substantial salary from his employer, he decided not to take any particular salary or compensation from either the trust or foundation which he controlled.

Let us review this common allocation of properties. Mr. Riches has protected his home and some substantial income-producing properties through the use of a trust. No income-tax savings would accrue to this portion of his estate, but because he neither owns the property nor has incidence of ownership, it would not be probated or taxed upon his death. His family could receive the benefits of this property long after his death.

On the other hand, he has provided for working income to the foundation that could be used to accomplish the various projects and activities that the foundation's board of directors determines from practically the time the foundation was created.

Let us assume that Mr. Riches is chairman of the board and president of the Riches foundation. Mrs. Riches is also involved as a director and officer of the Riches Foundation. The projects that they would develop as controlling parties of the Riches Foundation would be financed by the contributions from Mr.