

more than 20 percent from your income taxes in any year. Your foundation would then accomplish proper projects with these funds and might transfer some of the funds to your trust foundation. Generally, however, where this is the sole method of funding a foundation, the amounts do not initially create an unreasonable accumulation of income (for two reasons; one, the contributions are not income; and two, the earnings on these contributions are usually quite small). We do not generally recommend this procedure, however, unless it is the only one available.

In a recent Treasury ruling, the Internal Revenue Service approved another type of plan. If your employer will cooperate, you might direct him to contribute to your foundation. You might take a cut in salary to make this contribution equitable in terms of the employer's long-range economic planning. Such a contribution by the employer would not be deductible from your income nor would it be attributable as income to you. Instead, the employer would take a charitable deduction up to 5 percent of his adjusted gross income. An illustration of this plan would occur where an employee is earning \$30,000 a year but decides to take a cut to \$20,000 a year, if the employer will donate \$10,000 to a private charity directly. The employer would take a \$10,000 deduction for charitable