

officers, which do nothing more than enhance the position of the creator and officers. This might involve, if carried to abusive levels, in the refusal or retraction of tax exempt determination and general liability for taxes and other penalties for all persons involved. In the case of most small pieces of property, it is suggested that outright gifts be made of these properties to the foundation, rather than sale, but where sales are desired and represent substantial financial savings, it is suggested that outright gifts be made of these properties to the foundation, rather than sale, but where sales are desired and represent substantial financial savings, it is suggested that the seller (creator-individual) sell at a loss to the foundation, of from 10 to 25%. This normally takes the taint of self-dealing off the transaction, and no attempt should be made by the seller to deduct his loss as a charitable deduction.

- c. This process should be reversed where the creator might purchase properties from the foundation, but it is not recommended as part of standard procedures that the creator purchase any properties or receive any services from the foundation.
- d. The best way for a creator to transfer properties to a foundation is by outright conveyance. The following information might be a guide for such charitable contributions, although great care and analysis should be made of each individual contribution for tax purposes, since the Treasury has gone to a great deal of pains in recent years to distinguish various types of property contributions from each other.
 - 1. It has been suggested by some writers that the courts could hold that there is a realization of income by the owner by the transfer of property to charity. However, in view of recent cases, this would seem to be an unlikely possibility, particularly because of the clear public policy of encouraging charitable contributions. Most of the cases involving such donations would have ended in adverse rulings for the taxpayer if involved in private rather than "Charitable transfers."
 - 2. Because recent cases have criticized or questioned charitable gifts made to foundations with limitations or "strings" attached, it is recommended that gifts made to a foundation be outright without limitations.