

- C All major charitable contributions ought to be made through the foundation, and if this category occurred in the breakdown, you would not have to pay this amount to yourself in salary. This would result in a further reduction in income tax you would need to pay.
- D Education expenses, academic-type hobbies, library and scientific research equipment and materials would be owned and supplied to the employee (Executive Director) as a normal part of the foundation activities. Such items would not be included in the employment contract and, of course, would not have to be considered as a necessity by the Executive Director when he totals his salary. This would result in further savings in income tax. All of the tangible items could, of course, be kept at the foundation headquarters for use by foundation employees. Tangible expenses such as education and research trips are commonly borne by foundations as contrasted with the fact that they are not commonly assumed by business corporations or individuals before taxes.
- E After complete consideration of all expense items and determination of which items can be assumed by the foundation, Executive Director should total the amount not assumed by the foundation, and this should be the amount paid in salary. Computation of the new tax bracket should then be made to determine the overall possible tax saving of the other items.
- F Methods have been developed by which the following items may be borne by foundation-corporations; home, furnishings, utilities, education, medical expenses, insurance, transportation, and some entertainment. Generally, food, clothing and most entertainment cannot be provided by foundations although in some situations these have been provided by foundations.
- G A more detailed tax breakdown and possible further savings should be discussed with your accountant and/or attorney.

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