

EXHIBIT 12

WHAT REPORTS A FOUNDATION MUST MAKE ---
UNDER WHAT CONDITIONS

1. Federal reports.

- (a) Form 1023 application for recognition of exempt status. This report which is filed only once is not strictly necessary, but it makes things easier and gives the foundation an assurance of its status.
- (b) Form SS-4 Employer Identification Number. Must be shown on 1023 or applied for at the same time.
- (c) Form 990-A an annual information return for an organization exempt under Section 501 (C) (3). It is a two page simple information return. It is due on the 15 day of the 5th month after the end of the foundation's annual accounting period.
- (d) Form 990T - annual report of unrelated business income (or form 990-T-FY). This report should be filed even if no unrelated income is received since filing will start the 3 year statute of limitations, thereby providing you protection against errors made prior to that period.
- (e) Form 1099 and 1096. Exempt organization like all tax payers are required to report payments of rents, salaries, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable gains, and income aggregating over \$600/year. This is to be filed on or before February 28 in the year following the year of payment. Revenue Code IRC, Section 6041.
- (f) Foundation will also make withholding tax returns normally required under IRC Section 6051.

2. State Reports.

- (a) There is usually an annual report relative to your State charter. It is a simple report and self-explanatory, asking only the names of your officers and directors and a statement of the sort of activity you have been engaged in.
- (b) There may be in addition, one or two information requests from various State agencies. These are generally to determine if your activity brings you within their area of concern. A private foundation is usually not subject to these State regulatory agencies.

YOU SHOULD CHECK WITH A LOCAL ATTORNEY FOR LOCAL LAW.