SOLE PROPRIETORSHIP

(e.g. - Small grocery store owned and operated by man and wife with no formal agreements or conditions on operations.)

Some Advantages	Some Disadvantages
No need to separate income or expenditures of business into classifications of source or use.	No benefits of separation of income into tax-exempt classifications and capital gains catagories
Minimum necessary tax reports are required.	Maximum taxation and regulation.
No franchise taxes	Licenses to operate are usually required.
Freedom to decide what to do with property without reference to other investors (stockholders).	Total liability of individuals for business debts and expenses.
Minimum of contracts to be executed (employees are hired orally and purchases and sales are usually made by simple receipts).	No possible avoidance of social security or advantages of "corporate fringe benefits."
Simplicity of operations	Mixing of personal and business records.
Ownership (perhaps an illusory advantage).	Loss of control to the extent of the extensive taxes and regulations placed on such business forms.

ASSOCIATIONS

Not-for-profit organizations generally similar to Trade Associations, complex church structures or Unions.

Some Advantages	Some Disadvantages
May take advantage of laws governing their operations as distinguished from rules governing private foundations.	Require to form and clarify the Association lest it be taxed as a partnership or a corporation.
	difficult to maintain control as there are multiple positions of authority.
	Subject to limits that apply to all independent not-for-profit foundations, including disclosure of assets.