'. *Frequency of certain transactions*

Table 13 summarizes the answers to a number of questions asked n the Form 990–A concerning the occurrence of various transactions etween the foundation and a substantial donor, and various persons elated to the donor.

Under present law, the transactions involved in question 2 might be onsidered prohibited transactions, a cause for denial of the charitable xemption, only if the price involved in the transaction was not an rm's-length price. The question is designed to call the attention of revenue agent to a particular transaction that might need to be in- estigated further. A foundation answering "yes" to any part of his question does not indict itself as having forfeited its exemption, ut it is possible that some of these transactions go unreported in rder to avoid having questions raised by revenue agents. Because of his possibility the answers to question 2 on table 13 may understate he frequency of these transactions.

The answers to question 3 on table 13 are in response to a question n the supplemental questionnaire, relating to the occurrence of trans- ctions between the foundation and its officials (and parties related o such officials). Present law does not contain a specific prohibition n these types of transactions. Occurrence of one of the listed trans- ctions between a foundation and an official, or a party related to an fficial of the foundation would be indicated by a "yes" answer to hat part of question 3.

Question 4 dealing with holdings of 10 percent or more of any class f stock was also taken from the supplemental questionnaire.

TABLE 13.—*Responses to questions concerning certain transactions, etc.*

1. Did you hold any real property for rental purposes with respect to which nere is an indebtedness incurred in acquiring the property or in making improve- nents thereto or which was acquired subject to a mortgage or similar lien?

[In percent]

	Yes	No	No answer
otal	1.2	97.1	0.7
ery large	3.7	92.1	4.3
arge	3.5	95.5	1.0
[edium	2.6	96.4	1.0
nall	.2	99.4	.4
onor influence 50 percent or over	1.1	94.6	4.3
onor influence under 50 percent, over 20 percent	.4	98.3	1.2
onor influence not over 20 percent	2.1	96.0	1.9
nclassified	2.3	97.7	0