

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

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Employer Identification Number:

Contact Person - ID Number:

Contact Telephone Number:

LEGEND

UIL 4945.04-04

X= Name of Organization
a= Amount of grant

Dear

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated April 23, 2008.

Our records indicate that the X was recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that it is classified as a private foundation as defined in section 509(a).

Your letter indicates that the X will operate a grant-making program to provide funds to composers for the creation of and performance of new musical works. This will enhance the skill and talent of the grantee. The grants will be awarded to musicians with post-graduate degrees in the field of composition or other fields relating to music performance and have some experience with creating composition that have been performed publicly. The Foundation will award approximately one or two grants per year. The budget for the projects would generally not be more than a. For projects greater than a, the recipient must seek other sources of funding to meet the total budget of the project.

The grant program will be publicized through dissemination of information about the availability of the grants by the Foundation's trustees to individuals involved in the world of music and composition, including, without limitation, professionals at educational institutions such as universities with programs in composition and musical performance, and individuals associated with musical organizations such as orchestras, who are likely to have knowledge of prospective candidates. The participants will not be limited to a particular geographical location. The grants or commissions are used for the composers' general living expenses and for any expenses related to the compositions. Duration of projects will be one to three years.

The selection committee consists of the three trustees of the X. They have extensive experience working together in selecting the recipients of Foundation grants to 501(c)(3)

charitable organizations that includes the arts and musical organizations. No donor or trustee of the Foundation, and no family member of a donor or trustee of the Foundation will be eligible to receive any grant offered by the Foundation.

Prospective candidates will be required to submit an application to the Foundation that includes a brief description of the new work, including its instrumentation and duration, plans for the premiere performance, and a budget, including composer's fee. The trustees will consider the relative and absolute merits of the proposals presented. If none of the proposals submitted in a particular year meets the criteria established by the trustees, no grants may be funded that year. Generally, the terms and conditions of all grants will include the following:

- (a) an obligation on the grant recipient to acknowledge the grant on the title page of the score of the musical work, and all printed copies thereof;
- (b) within 120 days of the premiere performance of the work, to provide the Foundation for archival use with a clean copy of the original score, any revisions, and a CD, DVD or similar audio recording; and
- (c) an agreement by the grant recipient to return the grant amount if the grant recipient does not complete the composition within a date to be specified in the grant agreement.

As a condition of receiving a grant, the grant recipient will be required to have obtained a commitment from a particular performance organization, such as an orchestra, to perform the commissioned work. A portion of the grant will be retained until the grant recipient provides the completed musical score to the performing organization and the organization provides satisfactory evidence of the delivery to the Foundation. The trustees will periodically contact the grantees to check on the progress of the composing process. If the Foundation receives any information indicating that the grant has been diverted, the Foundation will make an investigation and take such reasonable and appropriate steps to recover the funds as may be required by Treas. Reg. 53.4945-4(c).

The Foundation agrees that it will maintain indefinitely records that include:

- the information used to evaluate the qualifications of potential grantees, including any recommendations;
- the identification of the grantees, including the determination as to whether a potential grantee has any relationship to the private foundation or is a disqualified person (although a disqualified individual would not be eligible);
- the amount and purpose of each grant, and all requirements imposed on the grantee with respect thereto;
- all grantee reports and other follow-up data obtained in administering the Foundation's grant program.

Sections 4945(a) and (b) of the Code impose certain excise taxes on “taxable expenditures” made by a private foundation.

Section 4945(d)(3) of the Code provides that the term “taxable expenditure” means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute “taxable expenditures” within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

We have not considered whether grants made under your procedures are excludable from the gross income of recipients under section 117(a) of the Code.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements