

**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:

UIL 4945.04-04

LEGEND

N = Name of Grant Program
P = State
Q = Region
R = Name of Coalition
v = Minimum number of grants per year
w = Maximum number of grants per year
x = Minimum Amount of grant
y = Maximum Amount of grant
z = Total per year

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 June 18, 2009.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and classified as a private foundation as defined in section 509(a) effective Jan 1, 2007.

Your letter dated June 18, 2009 indicates that you will operate a grant-making program, called N.

The purpose of N is to provide grants to individuals for land trust education and training to land trust practitioners. The purpose of the grants is to encourage land trust practitioners to increase their effectiveness in promoting, conserving, and protecting land for P's biodiversity and natural resources.

Announcement of the grant opportunity goes to Members and other interested parties of R. Potential applicants receive notices by e-mail and/or US Postal mail.

Recipients are chosen based on the selection criteria listed below. In its grant request, the applicant must also include a summary report describing the benefits the land trust will receive as a result of the training.

- The individual's ability to clearly describe how the training will be used to protect land and river resources with outstanding conservation values in P and Q.

- The individual's ability to describe how the training opportunity will benefit their land conservation organization.
- The individual's ability to demonstrate a cost-share match.
- The individual's financial need for the grant.

The annual number of grants distributed will be between v and w. Individual grants will range from x to y, with a projected amount of z in grants distributed annually.

As part of the program, members of the selection committee are not in position to derive a private benefit, either directly or indirectly.

Grant recipients are required to submit a report after attending the training describing the benefits that their land trust will receive as a result, as well as provide receipts for all expenses to M, before receiving reimbursement. Expense receipts are examined before reimbursements are made. In addition M's accountant will review the books annually.

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. **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 if 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.

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