

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

N = City, State
O = University
P = Country

k = 4945(g)(1) scholarship program
l = 4945(g)(3) grant program

Dear

We have considered your request for advance approval of your scholarship and grant-making programs under section 4945 (g)(1) and 4945(g)(3) of the Internal Revenue Code, dated October 23, 2009.

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

Your letter indicates that you will operate a scholarship program called k and grant-making program called l.

The purpose of k is to provide scholarships and fellowships to talented persons of good moral character who wish to improve their education and knowledge in the fields of science, technology, or commerce under section 4945(g)(1).

The purpose of l is to fund grant proposals that promote an understanding of the historic relationship between the United States and P under section 4945(g)(3).

Procedures applicable to program k

You will initially fund two or three full scholarships each year for international students that will attend O, in N. Information to apply for k is publicized and can be found on your website and O's website. An eligible candidate must be, in the determination of O's admissions office, academically admissible to O but lack the financial resources to attend.

Determinations of academic admissibility and financial need will be based on information deemed pertinent to O, which may include high school or college transcripts, results of aptitude and achievement tests, recommendations of teachers or advisors and financial information provided by the candidate and/or his or her family.

O will nominate at least fifteen finalists for each available scholarship. In selecting the finalists, O will consider international candidates' academic achievements, moral character and motivation, financial need, limitation on educational opportunities in the finalist's home country, writings from the candidates, personal interviews, and the candidates' commitment to study in the fields of science, technology or commerce.

Trustees will select scholarship recipients from among the finalists nominated by O using the information obtained by O and applying the same criteria listed above. The trustees that select the recipients and the trustees' credentials are listed on your organization's website.

In order to retain the scholarship for succeeding years, the recipient must maintain at least a 2.0 average. You may waive the requirement if you determine that the recipient shows sufficient academic potential and you are willing to continue the scholarship. If the recipient decides to pursue a major other than science, technology or commerce, the scholarship may continue, but only with your express consent. You intend to conduct certain educational activities for the scholarship recipients, and failure of a recipient to participate in such activities is grounds for loss of the scholarship.

O will supervise the use of funds for k. Each scholarship will be paid to O no later than in quarterly installments. O will agree in writing to use the funds to defray qualifying expenses or to pay qualifying amounts to the recipient only if the recipient is enrolled at O and his or her standing at O is consistent with the purpose and conditions of k. O will agree in writing that no part of a scholarship grant will be used as payment for teaching, research or other services by the recipient as a condition for receiving the funds. O will submit to you an annual report showing the grade point average and major for each scholarship recipient. O will also submit to you, a financial report showing the use of the funds.

Procedures applicable to program l

You have established an Advisory Board for l, consisting of prominent academics, from different universities, in the field of P-American history. The role of the advisory board is to recommend to your trustees specific projects that further l's purpose.

You will solicit grant proposals from individuals who seek to promote an understanding of the historic relationship between the United States and P through your website and through internet postings aimed at those who focus on P-American studies. All of the application requirements are listed on your organization's website.

Proposals may include requests for funding for academic research and writing projects, for literature and poetry, for seminars, institutes, lectures, translations, for the production of films and television programs, and other similar projects.

The advisory board will review and recommend to your trustees, proposals that take into consideration the credentials of the individual, the quality of the proposal and the degree to which the project can be expected to promote the understanding of the historic relationship between the United States and P. The trustees will review the recommendations of the advisory board and the underlying grant proposals and applying the same criteria used by the advisory

board, will select proposals to fund. The credentials of the trustees and advisory board are listed on your website.

Each recipient of l will enter into a written agreement with you to use the grant for the purposes set forth in l. The agreement will require the recipient to submit reports at least annually reporting in a narrative form the progress made and report on the use of the funds. If the grant recipient is associated with an educational or research institution, you may forward the grant funds to the institution for payment of the project expenses.

Procedures applicable to programs k and l

No scholarship or other grant will be awarded to your trustees or to any disqualified person with respect to you (including the trustees, and individuals related to the trustees and any persons related to the substantial contributor to you (now deceased)). No scholarship or other grant will be awarded for a purpose that is inconsistent with the purposes described in IRC section 170(c)(2)(B).

If a recipient fails to submit a required report or if through a report or otherwise you learn that any portion of a scholarship or grant is not being used to further its purposes, you will investigate. While you are investigating you will withhold further payment of funds.

You will take all reasonable steps to recover any funds not used for the purposes for which k and l were given. If the recipient has not previously diverted funds, you will withhold further payments until it has the recipient's assurance that no further diversions will occur, and will require the recipient to take extraordinary precautions to prevent future diversions. If the recipient has previously diverted funds, you will withhold future payments until the diverted funds are recovered or restored, and until it has the recipients' assurance that further diversions will not occur and require the recipient to take extraordinary precautions to prevent future diversions.

You will maintain case histories showing recipients of scholarships and grants, including: recipients name, address, the materials used in evaluating his or her candidacy or proposal, the purpose and amount of the award, the manner of solicitations and the relationship (if any) to officers, trustees or the founder of substantial contributors to you now deceased.

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 scholarship and grant programs will be conducted as proposed with objectivity and nondiscrimination, we have determined that your procedures in awarding scholarships under program k comply with the requirements of section 4945(g)(1) of the Code. Likewise, grants given under program l comply with the requirements of section 4945(g)(3) of the Code. Therefore, scholarships and grants granted according to these procedures will not be "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 or scholarships 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 grant-making procedures is a one-time approval of your system standards and procedures that will result in grants and scholarships which meet the requirements of section 4945(g)(1) and 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to succeeding grant and scholarship programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

In addition, we have determined that scholarships awarded under your procedures for program k are excludable from the gross income of the recipients subject to the limitations provided by section 117 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 grant 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