

Internal Revenue Service
Director, Exempt Organizations

Department of the Treasury
P.O. Box 2508
Cincinnati, Ohio 45201

Number: **201104050**

Release Date: 1/28/2011

Date: **November 3, 2010**

Employer Identification Number:

Person to Contact - ID#:

Contact Telephone Numbers:

UIL Code
4945.04-04

LEGEND

B= Foundation
C= Foundation Scholarship Program
D= Location
E= Selection Committee
F= Selection Committee
G= Accreditation Council
H= Country Name

Dear :

We have considered your request for advance approval of your grant-making program under section 4945(g) (1) of the Internal Revenue Code, dated February 22, 2010.

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

Your letter indicates that you will operate a grant-making program called C.

You intend to provide grants to individuals pursuing higher education in the fields of medicine or engineering at an accredited public school or University in H beginning in 2010. You plan to award one or two grants in 2010 with additional grants awarded in subsequent years. Based on funding, it is likely that up to six grants may be awarded in 2012. The amount of the grant will vary contingent on the program selected and the financial need required. The grant will not exceed \$1,500 per year per student. You reserve the right to award or reject the grant request based on the funding available annually.

The grant will be renewable for the full term of the degree course, three to five years based on the specialization and field of study. You will renew the grant only if the recipient has successfully completed requirements for promotion to the next year of study at the chosen educational institution. You will request a transcript or documentation verifying eligibility.

1. Eligibility Requirements

The primary requirements for grant consideration are as follows:

- Applicant and family are current residents of the area of D and the applicant has attended higher secondary education from an accredited school in the area.
- Applicant has completed twelfth grade education from an accredited high school in the area with required curriculum and standing that qualifies the applicant to be accepted in a professional degree college leading to higher education in the field of medicine, dentistry, physiotherapy, nursing or engineering.
- Applicant must have an acceptance letter from a public school or university stating that he/she has been accepted in the program in the session beginning in the year of application.
- Applicant must provide a statement of family income that can be verified by the selection committee.
- Applicant will provide a statement from the school/college to be attended that will include total expenses, including tuition, books, room and board for the year.

2. How to Apply

The applicant will write a letter of application stating his/her intention to pursue higher studies in the field of interest and provide a current address and other contact information. The applicant is also required to submit an acceptance letter from a public school or university stating that he/she has been accepted in the program in the session beginning in the year of application. Also, the applicant is required to submit a statement of family income that can be verified by the selection committee and a statement from the school/college to be attended that will include total expenses including all the fees required by the college, books, room and board for the year.

3. How Advertised

You will use two organizations in making the availability of the grants known by oral and written communications each year to principals of the high schools governed by these organizations. The organizations that will be assisting you in publicizing C will be E and F.

4. How Chosen

You plan to award grants based on financial need, academic achievements and successful admission acceptance in an accredited professional school. You will verify the school's accreditation status through G.

5. Selection Committee

The board of E and/or F will review the applications and other information required to be submitted and will recommend three to five applicants based on the criteria listed above. Application forms and the related documentation of the recommended applicants will then be reviewed by your board of directors, which has been charged with the responsibility for making awards based on academic qualifications and financial need. Relatives of the selection committees of E and F and your Board of Directors are not eligible for the awards. F currently oversees one school, is registered under the non-profit society registered act and is tax exempt. G operates four schools, is registered under the non-profit society registration and the foreign contribution acts and is tax exempt. E, F and B all have independent and separate governing boards.

6. Recordkeeping

You will maintain a file on each scholarship awarded including the original application, recommendations from E and F, record of the action taken on the application, and the reports on the grantee from the institution he/she is attending. You will also maintain all applications received from all potential grantees and all documentation relating to the ranking and selection process conducted by you, E and F for all potential grantees.

You will also obtain and review annual accountings of grant funds to determine if such funds were used in furtherance of the purposes of the related grant. If information (including the failure of grantee to submit required reports) indicates that all or part of grant funds are not being used in furtherance of the purposes of the related grant, you will withhold future grant payments while an investigation is conducted. If at the conclusion of the investigation, you determine that any part of a grant was used for improper purposes and the grantee has not previously diverted grant funds, you will take all possible action within your power to recover the grant funds and terminate any future payments to the grantee.

You will obtain annual reports on the use of funds and the progress made by the grantees toward achieving the purposes of the grant. At the completion of the grant a final report will be obtained from the recipient of the grant describing the accomplishments that were the result of receiving the grant.

7. Follow-Up

You will notify the academic institute enrolling the recipient, and where possible, the grants will be paid directly to the institution towards tuition fees and other eligible expenses. At the end of the term the recipient will be asked to provide appropriate receipts for all major expenses paid from the scholarship. At the end of the academic year, the recipient will provide a detailed statement of eligible expenses and receipts for all major expenses.

If the recipient stops or withdraws from the educational institution or does not meet the eligibility requirements as defined by the institution for continuing the course of study, the grant will be terminated immediately. If the recipient decides to take a break and not enroll in successive terms, recipient is obligated to inform you and explain the situation. You reserve the right to allow recipients to take breaks between terms.

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).

In addition, we have determined that awards made under your procedures are excludable from the gross income of the recipients subject to the limitations provided by section 117 of the Code.

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)(1) 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.

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(k)(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