

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

Department of the Treasury

Date: November 15, 2010

Employer Identification Number:

Number: 201106018

Contact Person - ID Number:

Release Date: 2/11/2011

Contact Telephone Number:

LEGEND

UIL 4945.04-04

T = Grant program #2
U = Scholarship program
V = Administrator
x = Amount

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 July 23, 2009.

Our records indicate 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 foundation as defined in section 509(a).

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

T was established to provide qualified recipients of U additional financial assistance in the form of small grants to promote travel, study or summer internships that support or enhance their academic disciplines and interests. The focus of these small grants must be to "improve or enhance a literary, artistic, musical, scientific, teaching or similar capacity, skill or talent of the grantee". You plan to provide between 6 and 12 grants of x per year.

To be eligible for T, an applicant must be currently enrolled in a fully accredited college and a recipient of U. An application must be completed with the applicant's name, home mailing address, campus mailing address, email, telephone number, college attended, expected graduation date, the activity for which the grant is requested (the nature of the internship, travel, or study) and a statement concerning how the activity will affect the applicant's graduation date. A representative of V will fully investigate and rank each of the requests for T on the basis of need and with a consideration of the value of the proposed study or internship to the applicant's educational or career path. The representative of V will make recommendations on each grant to the Foundation Officers for final approval and payment.

T payments usually will be made directly to the applicant, although when a study, travel or internship program is operated by the college or university, payments may be made directly to the school for the benefit of the applicant.

At the conclusion of the internship or other study or travel activity recipients will be expected to submit a written report explaining how funds were used, noting their accomplishments and explaining how their participation advanced their studies, skills, or other capacity. These reports will be monitored by the representative of V, who will make periodic reports to the Foundation and its Board of Directors.

You agree to maintain records that include the following:

- (i) Information used to evaluate the qualification of potential grantees;
- (ii) Identification of the grantees (including any relationship of any grantee to the private foundation);
- (iii) The amount and purpose of each grant; and
- (iv) All grantee reports and other follow-up data obtained in administering the private 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