

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

Department of the Treasury

Date: July 14 2011

Employer Identification Number:

**Number: 201140026
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Contact Person - ID Number:

Contact Telephone Number:

LEGEND

UIL 4945.04-04

Y =

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 January 7, 2010.

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).

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

The purpose of Y is to fully cover the tuition cost of a recipient's undergraduate degree, graduate school degree, or advanced study in the United States and to subsidize the recipient's living expense and cost of textbooks.

You will consider any student pursuing an undergraduate degree, graduate school degree, or advance study in the United States who possess a cumulative grade point average of at least 3.70 in his or her current curriculum and whose annual family household income is \$40,000 or less.

A prospective individual interested in applying for Y can obtain an application form by sending a self-addressed stamped envelope to your address.

The scholarship selection committee members review the quality of the applicants and make informed decisions on the eventual scholarship recipients. The members of the scholarship selection committee are uncompensated volunteer members. You have ensured that the committee members are independent and not subject to the control or influence of others when evaluating and selecting scholarship recipients by applying due diligence. You expect to accomplish such reasonable due diligence by researching and documenting that the applicants are not related to any selection committee member or a relative of a selection committee member. You will also establish a policy and procedure

that will not permit any selection committee member from having inappropriate contact with scholarship applicants during the process of evaluation and selection.

No member of the selection committee or officer, director and substantial contributor or their relatives is eligible for awards made under your program.

You agree to maintain records that include the following: information used to evaluate the qualifications of potential grantees, identification of the grantees, the amount and purpose of each grant, and all grantee reports and other follow-up data obtained in administering Y.

You will verify that the funds are used for legitimate educational expenses. The tuition will be sent directly to the educational institution for application to the student's financial account and thereby ensuring those funds are used legitimately.

You will require the recipient to have the most recent quarter or semester's transcript sent directly from the institution to you within 45 days of the end of the quarter or semester. If you believe the scholarship funds were not used for their intended purpose, you will take the appropriate steps to recover diverted funds and ensure other scholarship funds held for the recipient are used for the intended purpose. Further, you will withhold further payments to the scholarship recipient until you obtain the recipient's assurance that future diversions will not occur. If a recipient withdraws from enrollment, but intends to return to the institution, then scholarship awards will cease until such recipient is re-enrolled at an institution. You will only pay the tuition to the institution on behalf of the recipient once the institution verifies that the recipient is an enrolled student in good standing.

The recipient will be required to submit receipts for all expenditures totaling the amount of the portion of Y that is given directly to the recipient in cash. The receipts will be reviewed by a selection committee member.

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).

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(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,

Lois Lerner

Lois Lerner
Director, Exempt Organizations