

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

Department of the Treasury

Date: July 12, 2011

Employer Identification Number:

Number: 201140027

Contact Person - ID Number:

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Contact Telephone Number:

LEGEND

UIL 4945.04-04

B = State 1
C = State 2
k = \$ amount 1
m = \$ amount 2

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 September 29, 2010.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code on November 17, 1970. You have been classified as a private foundation as described in section 509(a) of the Code.

Our records also indicate that your grant-making procedures were approved in an advance ruling letter issued by the Internal Revenue Service on September 26, 1978. In September of 2010, you submitted a request for a determination approving modifications to your existing grant-making procedures.

Information previously submitted describing your existing grant-making program disclosed that you will award a limited number of scholarship grants (at your present level of funding, the number of students being supported thereby will not exceed two or more a year), to eligible state of B or C high school, undergraduate, or graduate students for work at any college or university described in section 170(b)(1)(A)(ii) of the Code. The scholarship grants will normally cover tuition, books, fees, and living expenses; however, in some cases, the grant may be limited to tuition, books, and fees. The award would be for the contemplated period of study subsequent to the grant, subject to satisfactory performance by the applicant.

Applicants may be expected to learn of your scholarship program through high school guidance facilities. Information forms for setting forth the personal, educational and financial data will be sent to applicants upon request. The persons who select recipients of scholarships are not in a position to derive a private benefit, directly or indirectly if certain potential grantees are selected

over others. Awards will not be made to any persons related to the donor's foundation manager, or any member of the Selection Committee.

The candidates will be selected by a Selection Committee composed of three of your Trustees. The Committee, in making its selection of a recipient of a scholarship grant takes into account each applicant's financial need, prior academic performance and performance on standardized college aptitude tests, recommendations from instructors, and conclusions from personal interviews and references as to the individual's moral character, ability, and motivation. The Selection Committee is affirmatively charged not to discriminate in the selection process on the basis of sex, race, religious, or national origin.

Recipients of grants are required to abide by the terms and conditions set forth in a letter you send to each grantee. The grantee must indicate his or her acceptance of the letter. The terms and conditions include the specific purposes of the grant, its duration, the total amount of the grant and requirements for reports, including due dates for such reports. You have adopted as part of your procedures, provision of the Foundation Excise Tax Regulations relating to supervision of the use of funds made by the recipients. You have also adopted the provision of the regulations relating to the investigation and recovery of funds diverted from the purposes the grant was intended to finance.

Per your letter dated September 29, 2010, you have made the following changes to your scholarship program.

You have established a supplemental guideline based solely on student merit for applicants seeking an education for certain professions which historically have yielded very modest financial return but entail high levels of service to the public. You have identified these professions for this purpose as the ministry, teaching, law enforcement, military service and scientific research. With respect to applicants considering these fields of study, the committee will not be required to look at the financial need of applicants and can simply look at their merits. However, if you deem it appropriate, you may condition the grant on the applicant's agreeing to repay the grant should the grantee abandon the proposed curriculum.

In determining financial need you have updated financial guidelines to adjust for current rates of inflation. The revised monetary limit will be set at total family income of less than \$k plus \$m for each child under the age of 22 living at home. Following publication by the Bureau of Labor Statistics United States Department of Labor in calendar year 2012, and in each subsequent year, of the Consumer Price Index for All Urban Consumers (CPI-U) for January of that year, the aforementioned \$k income limitation shall be adjusted. The adjusted limitation shall equal \$k times a fraction whose numerator equals the CPI-U for the current January and whose denominator equals the CPI-U for January, 2011.

All other criteria and established procedures will remain unchanged.

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. This letter supersedes our previous letter dated September 26, 1978.

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 G. Lerner
Director, Exempt Organizations

Enclosure: Notice 437
Redacted copy of this letter