

**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:**

**Date: October 19, 2011**

**Contact Telephone Number:**

UIL 4945.04-04

**LEGEND**

W= Name of Foundation  
X= Grantor  
Y= Name of scholarship  
Z= State  
H= Fields of Study  
b= Number  
x= \$

Dear \_\_\_\_\_ :

We have considered your letter dated April 7, 2011 enclosing the Second Restatement of the \_\_\_\_\_ Trust and your subsequent letter dated October 11, 2011 requesting advance approval of only your grant-making program Y under section 4945 (g)(1) of the Internal Revenue Code.

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).

The purpose of Y is to provide awards to first year candidates for a Masters or a PhD degree in the field of H.

You will grant b awards each year and each college or university shall be limited to one award in any academic year. Additional awards or scholarships can only be granted during the grantor's life time and while he is acting as trustee and has not been declared incompetent. Each award made until the year 2020 shall be in the amount of x.

Eligibility requirements are as follows:

1. The recipients must be first year candidates for a Masters of PhD degree in H who will start their studies in the upcoming fall semester.
2. The recipients may attend any accredited college or university in the United States, subject to trustee approval, if the recipient graduated from a Z public high

school and obtained his or her undergraduate degree from a Z college or university.

3. The recipients may have graduated from a public high school and college or university located in a state other than Z if the recipient will be attending a Z college or university.
4. The recipient must have distinguished themselves in the classroom or field training, or research.

You will publicize the award program by mailings to the Chairman of the department and the Dean of all colleges and universities in the state of Z that offer graduate programs either at the Masters or the PhD level. You will also publicize on your website.

Each applicant must:

1. Submit a letter of eligibility signed by the department chair or dean of the college or university they are graduating from or will be attending.
2. Submit two letters of recommendation
3. Complete the Applicant's essay.

Scholarships will be granted based on merit but need will be considered if two or more applicants are essentially tied. If more than one application is received from the same institution they will be ranked and the highest ranked applicant will be considered eligible to be awarded a scholarship.

Upon review of application and other requirements trustees will select the recipients on an objective and non-discriminatory basis regardless of said applicants race, creed, color, sexual orientation, religion, disability or sex.

The award will be paid directly to the college or university to be attended by the recipient upon receipt of confirmation of his or her enrollment. No award is guaranteed to be renewed. The award shall be renewable at Trustee discretion for one additional year if the recipient maintains a 3.50 GPA and his or her degree plan requires the equivalent of two years study. One new award shall be made each year. The award shall be administered by W.

The selection committee is made up of relatives of X. None of these individuals have any relatives enrolled in any institution providing advanced degrees in H and all future individuals involved in the selection process will be vetted to ensure that they are independent.

Relatives of members of the selection committee or your officers, directors, or substantial contributors are not 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 (including any relationship of any grantee to the private foundation), the amount and purpose of each grant; and
- 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).

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.

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  
A redacted copy of this letter