

**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 18, 2011

Contact Telephone Number:

LEGEND

UIL 4945.04-04

**F= Foundation.
G= Scholarship
H= School
X= \$ Amount**

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 April 07, 2011.

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).

Your letter indicates that F will operate a grant-making program called G.

The purpose of G is to provide a scholarship to an individual pursuing a medical degree at H and to promote medical school attendance by well qualified individuals who may otherwise forego pursuit of a medical degree.

You will award a scholarship in the amount of X per academic year, which is paid directly to H on behalf of the recipient to offset the recipient's medical tuition. The scholarship funds will only be given to H after confirmation that the recipient is enrolled and in good standing with H.

Information to apply for G is publicized through a bulletin, published and distributed by H, and through email distributed by H's financial aid office. You anticipate approximately 162 students to be eligible to apply for the scholarship each year. Completed applications will be submitted to F, and reviewed by a selection committee.

The selection criteria will include, but will not be limited to; the applicant's demonstrated academic ability and achievements, good character, work ethic, and economic need. The selection committee also will consider the extent to which an applicant was required to overcome significant challenges in order to gain acceptance to H. The selection committee will review the applications received and ultimately develop a list of three to five finalists. Finalists will be contacted for telephone interviews and the selection committee will choose the ultimate recipient of the scholarship.

Your president and other members of your board will make up the selection committee. Members of the selection committee will have medical experience and experience in operations of charitable organizations.

Your scholarships are automatically renewed each academic year as long as the grantee is enrolled in and in good standing at H, not to exceed four years. In the event that the recipient does stop, withdraw, or leave H, no further grants will be paid to H on behalf of the recipient.

Your scholarship will be awarded in an objective manner and on a nondiscriminatory basis, and will be excluded from the recipient's gross income, to the extent that it is used for tuition, books and equipment required in pursuit of the recipient's medical degree. G will not have any requirements that the recipient(s) teach, conduct research, work, provide service, or produce an item or product.

You will retain all records submitted by the recipients and H, which will include the name of the recipient, the amount of the scholarship awarded, and the purpose of the scholarship. Also, you will obtain and maintain in your files evidence that no recipient is related to any members of the selection committee or is a "disqualified person". Members of the selection committee will not be in a position to receive private benefit, directly or indirectly, if certain potential grantees are selected over others.

If a misuse of scholarship funds is uncovered or suspected after an investigation, requests for return of funds to you will be submitted to H and the recipient, and if necessary, legal proceedings for recovery of scholarship funds will be commenced.

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) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) 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 providing 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 'scholarship or fellowship' grants within the meaning of section 117 of the Code, and are excludable from the gross income of the recipients subject to the limitations provided in section 117(b) of the Code, including to the extent that such grants are used for qualified tuition and related expenses within the meaning of section 117(b)(2) 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 G. Lerner
Director, Exempt Organizations

Enclosure: Notice 437
A redacted copy of this letter