

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

Department of the Treasury

Number: **201204014**
Release Date: 1/27/2012

Employer Identification Number:

November 2, 2011

Person to Contact - ID#:

Contact Telephone Numbers:

Phone:

Fax:

UIL Code

4945.04-04

LEGEND

Y= Name of Grant

x = \$

Dear _____ :

We have considered your request for advance approval of your grant program under section 4945 (g)(3) of the Internal Revenue Code, dated March 4, 2010.

Our records indicate that you were recognized as exempt from federal income tax under section 501(c)(3) of the Code and that you have been classified as a private foundation as described in section 509(a) of the Code.

Your letter indicates that you will offer a grant called Y. The purpose of the Grant Making program under section 4945(g)(3) of the code is to:

- Fund projects missions or endeavors to provide critically needed medical care to persons in need.
- Support research on the prevention, treatment and cure of human illness and disease for which there is currently no adequate treatment or cure.

Medical Care Projects Missions or Endeavors

Awards will be for a minimum of x. The group served must consist of needy persons who cannot afford the medical care or persons who live in geographic areas where medical care is not available.

The individual applying for the grant must be qualified and licensed to perform the medical services for the proposed project. For example if the grant funding is for a surgical mission, the individual applying for the grant must be a surgeon. The applicant must provide a detailed description of his/her credential, educational degrees,

professional experiences, publications and references. If you are unable to fund all grant requests, the requests will be funded based on degree of need.

A grant applicant must submit an application which includes a detailed description of the medical mission, the reason the medical mission is critical and a budget. Assuming that the budget is reasonable you will try to provide the full amount requested in the budget so that the purpose of the mission can be fulfilled.

Selection criteria include:

- An evaluation of the medical care to be provided and a determination of how critical the medical care is for the targeted group
- A determination that the group to be served is in need either because of poverty or because they live in a geographic area that does not have the medical care available, and
- A determination that the medical need is not being met by other organizations.

Each grant is for a single medical mission or project. If an applicant completes his/her mission and desires to repeat the mission he/she must apply for a new grant.

Research on the prevention, treatment and cure of human illness and disease

These grants will be made to fund research on the prevention, treatment and cure of human illness and disease for which there is currently no adequate treatment or cure.

The applicant must submit an application which includes a detailed description of the research, the reason the research is critical and a budget.

The selection criteria include an evaluation of the disease to be researched, a determination of the potential impact of the research and a determination that the research is not being performed for other organizations.

Awards will be for a minimum of x. The individual applying for the grant must possess the educational and professional expertise to conduct the research. The applicant must provide a detailed description of his/her credentials, including degrees, experience, publications and references. Assuming that the budget is reasonable you will try to provide the full amount requested in the budget so that the purpose of the research can be fulfilled.

Each grant is for a single research project and is not renewed.

Applicants will be made aware of these grants through your website. An individual grantee may be selected from a group of qualified candidates, or without reference to a group of candidates because he/she is exceptionally qualified to carry out the charitable, educational, or scientific purposes of the grant or it is otherwise evident that the selection is particularly calculated to effectuate the exempt purpose of the Foundation and the grant

rather than to benefit particular persons. The group of persons who select recipients shall not be in a position to derive a private benefit, directly or indirectly.

Applicants are required to submit a complete educational and biographical record and supporting materials, including a report on their academic and professional careers, a detailed statement of their plans for the use of the grant (including a budget), a statement of their plans and commitments after the grant, letters of reference and lists of publications. The applicant must also convince the Foundation of his/her financial need for the grant funds. Finally, all candidates are checked against the list of "Specially Designated Nationals" issued by the Office of Foreign Assets Control.

There is a screening of all candidates by the "Screening Board". When appropriate, the screening board will consult with other individuals skilled in areas of law, economics, science, medicine, history, literature, the arts or philanthropy. Your employees or "disqualified persons" are eligible for grants.

Relatives of members of the selection committee, your officers, directors or substantial contributors are not eligible for awards made under your program.

The terms and conditions of each grant to an individual are contained in a letter sent to each recipient of such a grant. The recipient is required to communicate its acceptance thereof in writing. Terms and conditions include: specific purposes of the grant, its duration, the total amount of the grant, requirements for narrative reports, including due dates for such reports. In each case it is stipulated that continued payment of grant funds is contingent upon evidence of adequate performance at the time of the review.

Each grantee is required to provide periodic reports showing the grantee's progress toward the original goals of the grant and an accounting for the use of grant funds. You may also require more frequent interim reports and other grant evaluation documents. Upon completion of the grant, the grantee provides a final report, which shall include a copy of the grantee's final work product.

An officer of yours has the responsibility to follow the progress of the individual grant, that is, to review each report submitted by the funded educational institution or person, to make a determination as to whether the grant purposes are being or have been fulfilled, and to look into any questions requiring further scrutiny or investigation.

Where reports or other information indicate that all or any part of grant funds are not being used for the purposes of such grant, you will initiate an investigation. While conducting the investigation you will withhold further payments to the extent possible until it has determined that no part of the grant has been used for improper purposes, and until any delinquent reports have been submitted.

If you determines that any part of a grant has been used for improper purposes, all further payments under the grant shall be terminated, and you will take all reasonable and appropriate steps to recover diverted grant funds or to ensure the restoration of diverted

funds and the dedication of other grant funds held by the grantee to the purposes being financed by the grant. These steps will include legal action unless such action would in all probability not result in the satisfaction of execution of a judgment.

All records will be maintained at your office. You will maintain records on all information obtained by you to evaluate the qualifications of potential grantees, the identification of grantees including any relationship of any grantee to you or to a director or officer, the purpose and amount of each grant, and any additional information you obtain in complying with its grants administration procedures.

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.

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 copy of redacted Letter

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

Department of the Treasury

November 2, 2011

Employer Identification Number:

Person to Contact - ID#:

Contact Telephone Numbers:

Phone:

Fax:

UIL Code

4945.04-04

LEGEND

x = \$Amount

y = \$Amount

z = Number of scholarships

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 March 4, 2010.

Our records indicate that you were recognized as exempt from federal income tax under section 501(c)(3) of the Code and you have been classified as a private foundation as described in section 509(a) of the Code.

The purpose of the Individual Scholarship program under section 4945(g)(1) of the code is to provide:

- Scholarships to assist students in grades K through 12 to attend a specialized school.
- Scholarships for students pursuing a bachelor's degree at an accredited college or university.
- Scholarships for students pursuing a master's degree, doctorate, or other advanced degree at an accredited college or university.

Scholarships awarded to students in grades K-12, will be to students who live in low-income areas or students with special learning needs who need to attend a specialized school. In the case of scholarships granted to undergraduate or graduate college/university students the students must be attending a particular institution that must either be a state college or university or a college or university exempt under Section 501(c)(3) of the Internal Revenue Code. Scholarships will be evaluated on the basis of financial need, past academic performance, extracurricular activities and applicant essay and the future promise and character of the student.

It is anticipated that scholarships will be made available for up to z students per year for each category. The amounts distributed will be in the amount of \$x per year for grades K through 12 recipients and \$y per year for College/University Undergraduate and Graduate students. The number and dollar amount of scholarships in any year may vary depending upon your net income and need of the students.

Applicants are solicited through the distribution of flyers with accompanying applications to accredited colleges and universities, or to lower, middle and high schools as selected from time to time by the board of directors. Applicants are required to submit a complete biographical record and supporting material, including grade reports and school transcripts, a report on their academic careers, a detailed statement of their academic and/or professional goals (as appropriate), financial information, and a statements of their plans and commitments after school. Finally, all candidates are checked against the list of "Specially Designated Nationals" issued by the Office of Foreign Assets Control.

For each scholarship program, the Board of Directors shall establish an advisory board comprised of persons with skills, experience and/or expertise relevant to selecting recipients of such scholarship program. For scholarships in a specialized field the advisory board may include persons from such field. The advisory board will screen all candidates based on applications and supporting materials submitted and then recommend a slate of recipients for approval by the board of directors. Members of the Board of Directors will not serve on the advisory board; the Board of Directors is responsible for selecting the members of the advisory board. Neither your employees nor "disqualified persons" are eligible for scholarships. Relatives of members of the selection committee, your officers, directors or substantial contributors are not eligible for awards made under your program.

The terms and conditions of each scholarship to an individual are contained in a letter sent to each recipient. The recipient is required to communicate their acceptance to you in writing. Terms and conditions include: specific purpose of the scholarship, its duration, the total amount of the scholarship and requirements for reports, including due dates for such reports. In each case it is stipulated that a renewal of the scholarship for any succeeding period is contingent upon evidence of adequate performance at the time of review. Recipients are expected to be in good academic standing, generally defined as not receiving any grade below "C" or a grade point average of at least 2.75.

Each scholarship recipient must send you a report of courses taken and grades received in each academic period. Such a report must be verified by the registrar of the educational institution attended by the recipient and is obtained at the end of each academic period. Where studies are taken at an institution that does not involve the taking of courses but the preparation of research papers or projects, you will require a brief report from the institution on the progress of the paper or project. Such a report must be approved by the faculty member supervising the recipient or by another appropriate official of the institution. Upon completion of a recipients study, a final report is required. You will not obtain the foregoing reports if payment is made directly to a school and the scholarship

award is subject to the provisions of Section 117(a) of the Internal Revenue Code and the institution agrees to use the funds to defray the recipients expenses or pay funds only if he/she is enrolled at the educational institution and his/her standing is consistent with the purposes and conditions of the scholarship.

An officer of yours has the responsibility to follow the progress of the individual scholarship, that is, to review each report submitted by the funded educational institution or person, to make a determination as to whether the grant purposes are being or have been fulfilled, and to look into any questions requiring further scrutiny or investigation.

Where reports or other information indicate that all or any part of scholarship funds are not being used for the purposes of such scholarship, you will initiate an investigation. While conducting the investigation you will withhold further payments to the extent possible until it has determined that no part of the grant has been used for improper purposes, and until any delinquent reports have been submitted.

If you determine that any part of a grant has been used for improper purposes, all further payments under the grant will be terminated, and you will take all reasonable and appropriate steps to recover diverted grant funds or to ensure the restoration of diverted funds and the dedication of other grant funds held by the grantee to the purposes being financed by the grant. These steps will include legal action unless such action would in all probability not result in the satisfaction of execution of a judgment.

If you determine that any part of the scholarship has been used for improper purposes and the recipient has not previously diverted the funds to any use not in furtherance of a purpose specified in the scholarship award, you will withhold further payments on the scholarship until you have received assurances that future diversions will not occur, any delinquent reports are submitted and you will require the recipient to take extraordinary precautions to prevent future diversions from happening. If you find that diversions have occurred then you will terminate the scholarship.

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.

All records will be maintained at your office.

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 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 copy of redacted Letter