

**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: April 5, 2012

Contact Telephone Number:

LEGEND

UIL: 4945.04-04

c = number
d = dollar amount
g = dollar amount
j = dollar amount
Y = fellowship program
Z = state

Dear :

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated November 14, 2011.

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

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

Y was established to provide grants to teachers that demonstrate a commitment to and strength in family engagement. Y is open to teachers working in Z public and charter schools.

Teachers who are awarded a Y will receive a stipend of d dollars and may receive up to an additional g dollars for various speaking engagements. You anticipate awarding up to c fellowships each year. Teachers not awarded a Y may be eligible to receive an honorable mention award of j dollars.

Fellows selected for awards will develop materials and participate in a 14-month program where they will:

- Share their stories and aggregate student data with you and share and revise the existing lesson plans, templates, tools, etc. they use for family engagement.
- Participate in one of two working groups dedicated to developing and piloting family engagement strategies. Participation includes attending meetings and informing on content development.

- Have their story documented on film and/or published as a case profile.
- Participate in quarterly Community of Practice meetings with other teaching fellows.
- Distribute and collect a short parent survey (or organize a focus group) to document the impact of their family engagement practices.
- Remain a teacher in good standing in a Z public or charter school.
- Meet the grant timeline and agree that any materials, films, or case profiles created or shared with you can be reproduced and/or shared publicly.
- If requested by you, encourage to participate in speaking engagements.

These activities will be conducted outside of the teacher's regular school and contract-mandated hours.

Any Pre-K through 12 grade teacher in an Z public or charter school, who is currently teaching, and intends to continue teaching during the following school year, may apply. They must also have had a history of family engagement practices in their classes and anticipate continuing family engagement practices in the future. To apply for the fellowship, teachers complete an application. Family members of your employees will not be eligible to apply for a fellowship.

Information about the fellowship will be distributed to over 200 schools, education-related organizations, and individuals in Z. These organizations will be asked to advertise your program in their newsletters and to distribute information to teachers. You also advertise the fellowship on your website.

Your selection committee currently consists of four staff members. They are eligible to be on the committee as long as they are on your program staff. Besides being staff members, the selection committee members must have extensive knowledge of family engagement research and of all your programs.

The selection committee members read and score each applicant against your family engagement classroom rubric, which examines evidence of teacher's beliefs about families, relationship building practices, communications about student goals, progress, and learning support strategies. Each application is reviewed by at least two members of the selection committee and their scores are averaged to determine if candidates will be selected as semi-finalists from the initial pool of applicants.

Each semi-finalist is given a 45-minute interview with two of your selection committee members. The interviews are for the semi-finalist to further describe their family engagement strategies and discuss the impact of these strategies on their classrooms. During the interview, semi-finalists will be asked to provide names and contact information of three references (two of whom must be parents of a current or former student) who can speak to the commitment of the finalist to family engagement.

After the interviews, selection committee members meet to discuss the interview results and select the finalists. The executive director confers with a least two references for each finalist. Results of the reference checks are given to selection committee members making the final award decisions and the team chooses the winners based on all of the gathered information.

Criteria that are considered during the review process include the following:

- Good standing in a Z public or charter school.
- Alignment with your beliefs about classroom outcomes for family engagement.
- Existing implementation of creative family engagement strategies.
- Evidence of success in family engagement in ways that contribute to student learning.
- Strong presentation and communication skills.
- Willingness to share classroom information openly and honestly.
- Years of teaching experience.
- Interest in a teaching fellowship and ability/commitment to fulfill grant requirements.

The committee awards fellowships by selecting teachers who score highly on the following criteria: 1) positive attitudes about the importance of family involvement in student performance; 2) relationships with student families; and 3) communication with student families about their children's academic performance. Teachers who receive high marks in a least two of the three areas will be awarded a fellowship. Teachers who score well (but not at the highest level) in all three areas may be awarded an honorable mention.

Selection committee members must disclose any prior relationships with candidates. If your executive director deems the relationship too close, the selection committee member will be removed from deliberations about the candidate.

Once the recipients are chosen, they must sign a Fellowship Agreement which outlines the terms of the fellowship. The grant amount is awarded in 2 payments with the first half paid at the beginning of the grant period and the rest at the end of the grant period. If the fellow is to receive extra for the speaking engagements, the amount will be paid at the end of the period along with the second half of the grant.

Your manager of Professional Development Partnerships is responsible for maintaining contact with the fellows and organizing fellowship meetings and activities. She will keep track of fellow participation and if a fellow does not participate as expected, the manager will notify your executive director, who will then contact the fellow to ensure that the expectations are clear.

You monitor the progress during the period by: 1) Ask the recipients of the fellowship to complete both a middle and end of year report to address the changes in their attitudes, skills, and knowledge about family engagement as well as leadership activities or new initiatives they are participating in at their school as a result of the fellowship; 2) interview each fellow; and 3) keep track of attendance at fellowship meetings. If the fellows materially do not meet the expectations during the fellowship year, you maintain the right not to disburse the second half of the award.

In order to renew a fellowship, applicants would have to reapply and go through the same selection process. The maximum times an applicant could participate in the fellowship program is three.

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.

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 'scholarship or fellowship' grants within the meaning of sections 4945(g)(1) and 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)(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.

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

Enclosures:
A copy of the redacted letter
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