

**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:

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Contact telephone number:

UIL: 4945.04-04

LEGEND

**X= Name of Program
c = quantity
x dollars = Amount
y dollars = Amount**

Dear :

You asked for advance approval of your educational grant procedures under Internal Revenue Code section 4945(g)(3). This approval is required because you are a private foundation that is exempt from federal income tax.

Our determination

We approved your procedures for awarding educational grants. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding educational grants meet the requirements of Code section 4945(g)(3). As a result, expenditures you make under these procedures will not be taxable.

Description of your request

Your letter indicates that you will operate an educational grant program called X.

Your purpose is to highlight and help facilitate the power of photography influencing the world and to make photography better understood, utilized, seen, created and saved.

The purpose of X is to:

- 1. Improve or enhance the artistic, literary, scientific, or teaching capacity, skill, or talent in one or more photo fields (defined below) or**

2. **Assist the grantee in completing an artistic, literary, scientific or educational project in one or more photo fields, including but not limited to photography projects, exhibits or theses. All such projects shall be referred to herein as "photo field projects".**

Photo fields shall mean the field of photography or another field or discipline that complements or is related to the field of photography and that draws upon or contributes to the field of photography or that uses photography or photos in its activities, including by way of example (but not limited to), visual journalism and education.

You intend to award c grants per year ranging from x dollars to y dollars annually. The number and amount of awards may vary from year to year; depending on the size and quality of the applicant pool, the number of grant cycles, and your overall finances since this program is a small part of your overall activities. You may have one or more grant cycles per year. The goal or subject matter of the grants made during the cycle may vary from one cycle to another. Each grant cycle will be announced on your website. The announcement will explain the project goals, subject matter and the deadline for the specific grant cycle. You will publicize X on your website and through a variety of other outlets such as universities, photography schools, print, electronic media and notices in relevant magazines and newsletters.

In order to be eligible for a grant, a candidate must:

1. **Be a photographer, writer, scientist, or other professional (whether emerging or established); or a teacher or student, in each case working, practicing, teaching or studying in one or more photo fields.**
2. **Agree to use the grant in creating a photo field project for public presentation; or attending conferences, workshops, seminars and similar events for the purpose of improving or enhancing the candidates artistic, literary, scientific or teaching capacity, skill or talent in one or more photo fields.**
3. **Not be an employee of yours or a disqualified person.**
4. **Submit a completed grant application, including a personal statement describing the goals and proposed uses of the grant.**

Recipients will be determined by a selection committee and will consist of members as determined by your board. No committee member shall derive directly or indirectly any private benefit as a result of any award of any grant; any committee member who foresees a potential benefit shall immediately notify you and abstain from the selection process. Any committee member who fails to follow this protocol will be removed from the

committee. Family members of committee members are not eligible for your grants.

The selection committee will screen all candidates. Candidates passing the screening process may be interviewed by your selection committee. Your selection committee will make its recommendations to your board of directors and the board will select one or more grantees from among the applicants recommended by the selection committee, using the following criteria.

- 1. The candidate's artistic, literary, scientific or teaching capacity skill or talent.**
- 2. The candidates vision for the grant and ability to carry out the proposed photo field project, including the quality and clarity of the applicant's proposed plans , the appropriateness of the budget submitted for the proposed project, and the completeness of the application package, including all narratives, work samples (if any) and support material; and**
- 3. The potential impact of the proposed project, including enhancing public knowledge, understanding and appreciation of one or more photo fields; and/or the applicants skill as a photographer, writer, scientist, other professional, teacher, or student; and the potential to contribute work of artistic, literary, scientific or educational value to one or more photo fields.**

All award decisions will be made on an objective and nondiscriminatory basis. You will specify the terms and conditions of each grant in a letter sent to each grantee notifying him or her of the grant award. You will not disburse grant proceeds until the grantee accepts your grant terms and conditions in writing. These terms and conditions include the grant's specific purpose, project duration, the total grant amount, the requirement for narrative reports and the due dates for such reports, and the requirement for maintaining records of receipts and expenditures and for making such records available to you.

You will obtain from each grantee annual reports and a final report describing the use of the grant proceeds and the progress made by the grantee toward achieving the grants purpose. Grantees will prepare the required reports as of December 31st of the year which the grant or any portion thereof is received and all such subsequent years until the grant proceeds are expended in full or the grant is otherwise terminated. The reports will be provided to you no later than January 31st of the following year.

You will monitor the progress of each grantee, review each report submitted and investigate actual or apparent deviations from the grants terms and conditions. The results of all investigations shall be documented and reported to your board.

Where reports to you or other information (including failure to submit reports when due) indicate that all or part of the grant proceeds are not being used for the grants intended purpose, you shall initiate an investigation. While conducting the investigation, you shall withhold any additional disbursements until a determination is made that no part of the grant is being used for improper purposes and/or delinquent reports have been submitted. If you determine that grant funds have been used for improper purposes you will request that the funds be returned to you. You will document and maintain records of the result of such investigation.

You will retain the following records: information evaluating the qualifications of grant applicants, written records identifying all applicants and grantees by name, the amount and purpose of each grant, and all grantee reports and other follow-up data obtained in the awarding and administration of your grants.

Basis for our determination

The law imposes certain excise taxes on the taxable expenditures of private foundations (Code section 4945). A taxable expenditure is any amount a private foundation pays as a grant to an individual for travel, study, or other similar purposes. However, a grant that meets all of the following requirements of Code section 4945(g) is not a taxable expenditure.

- **The foundation awards the grant on an objective and nondiscriminatory basis.**
- **The IRS approves in advance the procedure for awarding the grant.**
- **The grant is:**
 - **A scholarship or fellowship subject to section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii); or**
 - **A prize or award subject to the provisions of section 74(b), if the recipient of the prize or award is selected from the general public; or**
 - **To achieve a specific objective; produce a report or similar product; or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar skill or talent of the recipient.**

To receive approval of its educational grant procedures, Treasury Regulations section 53.4945-4(c) (1) requires that a private foundation show:

- The grant procedure includes an objective and nondiscriminatory selection process.
- The grant procedure results in the recipients performing the activities the grants were intended to finance.
- The foundation plans to obtain reports to determine whether the recipients have performed the activities that the grants were intended to finance.

Other conditions that apply to this determination

- This determination covers only the grant/loan program described above. This approval will apply to succeeding grant/loan programs only if their standards and procedures don't differ significantly from those described in your original request.
- This determination applies only to you. It may not be cited as precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes in your program to the Cincinnati Office of Exempt Organizations at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

- You cannot make grants/loans to your creators, officers, directors, trustees, foundation managers, or members of selection committees or their relatives.
- All funds distributed to individuals must be made on a charitable basis and must further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with Code section 170(c) (2) (B).
- You should keep adequate records and case histories so that you can substantiate your grant/loan distributions with the IRS if necessary.

We've sent a copy of this letter to your representative as indicated in your power of attorney.

Please keep a copy of this letter in your records.

If you have any questions, please contact the person listed at the top of this letter.

Sincerely,

Director, Exempt Organizations