

Internal Revenue Service

P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Release Number: **201539035**

Release Date: 9/25/2015

Date: **June 25, 2015**

Employer Identification Number:

Contact person - ID number:

Contact telephone number:

LEGEND

UIL: 4945.04-04

X= State

r= Number

s= Number

t dollars= Amount

u dollars= Amount

v= Amount

Dear :

You asked for advance approval of your scholarship grant procedures under Internal Revenue Code section 4945(g). This approval is required because you are a private foundation that is exempt from federal income tax. You requested approval of your scholarship program to fund the education of certain qualifying students.

Our determination

We approved your procedures for awarding scholarships. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding scholarships meet the requirements of Code section 4945(g)(1). As a result, expenditures you make under these procedures will not be taxable.

Also, awards made under these procedures are scholarship or fellowship grants and are not taxable to the recipients if they use them for qualified tuition and related expenses (subject to the limitations provided in Code section 117(b)).

Description of your request

You are operating a scholarship program to provide educational grants to qualified individuals who plan to enroll in accelerated computer programming courses to be used for tuition, room and board. Your emphasis is on providing scholarships for immersion classes because your founder has a belief that as when learning foreign languages,

immersion learning is a superior way to educate students; it results in deeper learning because students focus more intently during an intense accelerated session with minimal distractions. Your scholarship awards cover up to r% of the cost of tuition and up to s% for room and board. Your scholarship is not renewable but applicants may reapply for scholarships. The number of grants made annually will be determined by the availability of funds and the number of eligible applicants. Your expectation is to award in the range of v grants a year. Scholarships will be awarded in the range of u dollars depending on the recipient's individual circumstances and need. The original scholarship pool size will be t dollars.

You will publicize your program on your website, social media, at schools through guidance counselors and academic advisors, as well as through print media and networking groups. You will also publicize your program to companies via training, and through human resource departments.

Applicants must be enrolled in or enrolling in an accelerated computer programming course; moreover, applicants must complete and submit an application providing you demographics, and specifics about their background in programming. The application process may also include a short, informal phone interview. Applications will be accepted on a rolling basis and incomplete applications will not be considered.

A selection committee made up of your founder and three others will select the candidates. The committee may be modified in the future to best meet the needs of your program. You will not award scholarships to relatives of members of the selection committee, or of your officers, directors, or substantial contributors.

You understand that certain demographics are underrepresented in the computer programming field and you hope to encourage persons from those groups to enroll in courses in that field. Preference will be given to qualified students who are female or who are part of a minority culture within the programming field. Additionally, students who will attend institutions in X will be given preference.

Not all applications will be funded. If the selection committee feels that a student is not ready to be successful in accelerated computer programming courses based upon their application and interview, the application will be denied. A student whose application has been denied may reapply at a later date, if they are able to demonstrate that they have prepared for and are ready for accelerated learning in a computer programming course.

You will not discriminate based upon race, color, religion, creed, national origin, ancestry, disability, gender, sexual orientation, or age. You will follow procedures that will ensure equal opportunity for all people without regard to race, color, religion, creed, national origin, gender, sexual orientation, age, ancestry, marital status, disability, veteran or draft status; you will also make reasonable accommodations wherever necessary for all provided that the individual is otherwise qualified to safely perform the duties and assignments and provided that any accommodations made do not require significant difficulty or expense.

You will pay the funds directly to the student who will then make payment to the school of choice. Scholarship recipients must agree to fill out the Post Scholarship Report within two weeks of completion of their course. You will maintain case histories showing recipients of your scholarships including names, addresses, purposes of awards, amount of each grant and manner of selection.

You will investigate any diversions of funds from their intended purposes, and take all reasonable and appropriate steps to recover diverted funds and ensure other grant funds held by a grantee are used for their intended purposes and withhold further payments to grantees until you obtain grantees assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring.

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 the provisions of Code section 117(a).
- The grant is to be used for study at an educational organization described in Code section 170(b) (1) (A) (ii).

Other conditions that apply to this determination

- This determination only covers the grant program described above. This approval will apply to succeeding grant 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 a precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You may report any significant changes to your program by completing Form 8940 and sending it to the Cincinnati Office of Exempt Organizations at:

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

- You cannot award grants 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 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 distributions with the IRS if necessary.

Please keep a copy of this letter in your records.

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

Sincerely,

Director, Exempt Organizations