

Internal Revenue Service

P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

November: **201548022**
Release Date: 11/27/2015

Employer Identification Number:**Contact person - ID number:****Date:** September 1, 2015**Contact telephone number:****LEGEND**

B= university
C = academic focus
D = association
x dollars = dollar amount

UIL

4945.04-04

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 won't 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 provide in Code section 117(b)).

Description of your request

You will provide a scholarship in order for a student to obtain an advanced Ph.D degree in the field of C. The Ph.D candidate will research C approaches for people with aphaia as well as research and development of language based C software on various technology platforms in English and other languages. Applicants are required to be enrolled in B and should be focused on a career in C. You will award one scholarship up to x dollars per academic calendar year. Previous scholarship awardees can apply in consecutive years.

The recipients will be selected on an objective and nondiscriminatory basis based on the criteria reasonably related to the purpose of the grant. The criteria consist of looking at prior academic performance, recommendations from instructors, financial need, and personal interviews concerning the candidates' motivation, character, ability and potential.

Specifically, the criteria used to determine eligibility for scholarship are:

- Transcript to show proof of enrollment in a Ph.D. program at B.
- Curriculum Vitae verifying the student's research is in the field of C.
- Curriculum Vitae verifying the student has earned a Certificate of Clinical Competence from D.
- Proof verifying the student's Ph.D advisor has an academic position in a department in B and a background in C.
- Curriculum Vitae shows evidence of publications and presentations that include C content.
- Curriculum Vitae shows evidence that the student is engaged in research being conducted in the C Testing Teaching Lab at B.
- Student speaks more than one language.

Your program will be announced publicly through the relevant department at B to directly attract qualified candidates. Final selection of an awardee is approved by your board of directors on an objective and nondiscriminatory basis. The amount will be given directly to B and will be dispersed in three installments throughout the academic year.

You will obtain reports to document the student has performed the activities that the scholarship is intended to finance and you will investigate any possible misuse of funds.

You will maintain records that include information used to evaluate the qualifications of potential grantees, identifications of the grantees, the amount and purpose of each grant, and all grantee reports and other follow up data.

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 must report any significant changes to 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 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

Enclosures:
Redacted letter
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