

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

Department of the Treasury

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Date: **September 9, 2015**

Employer Identification Number:

Contact person - ID number:

Contact telephone number:

LEGEND

UIL: 4945.04-04

W =Organization
X= Organization
y dollars = Amount
z dollars = 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 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

Your mission is to, "create opportunities to serve communities locally, nationally, and internationally through improved oral healthcare while providing the tools and resources necessary to build a lasting impact on the communities it serves as well as on those who choose to serve." You intend to offer a limited number of scholarships to qualified individuals seeking to further their education in various fields of the dental profession. You initially expect to provide scholarships to students seeking Dental Assistant Certification at X, an accredited health care vocational training institute with campuses

around the country. You may also provide scholarships to students seeking to qualify in other areas related to the dental profession at accredited schools and training institutes.

The criteria for selecting the scholarship recipients are financial need and interest in the dental field or dental health. Academic achievement or the potential for academic achievement may also be criteria. Applicants will be required to complete an application form and the selection committee may conduct interviews before making a final decision. You may also request academic transcripts and/or letters of recommendation. In some instances, you may choose to award scholarships to women undergoing financial hardship or other groups with a history of discrimination (but in no case based on illegal criteria). For instance, you will have a unique pilot scholarship open to applicants nominated by W, a 501(c)(3) public charity.

You anticipate awarding approximately five scholarships each year valued between y dollars and z dollars. The scholarships will be non-renewable but students may apply for additional scholarship funding in later years if they continue to meet the criteria for eligibility.

Scholarships will be publicized on your website and in dental offices. You may also have scholarship information on external websites that provide financial aid information to students.

Your scholarship selection committee will initially be made up of one member of your Board of Directors, one member of your Advisory Board, and one member of your executive staff. Selection committee members are required to have some experience in dental education, dental health, philanthropy, or all of those. Relatives of members of the selection committee, or relatives of officers, directors, or substantial contributors to you will not be able to receive scholarship awards under this program.

You expect to award scholarship funds in the form of grants to the educational institution to be applied to the tuition of a named awardee. In some circumstances, you may award funds directly to the awardee upon evidence of enrollment in the program. You will maintain the records showing the name and address of each recipient, the amount distributed to each, the purpose for which the aid was given, the manner in which the recipient was selected and the relationship, if any, between the recipient and any of your insiders.

You will require each recipient to sign a Scholarship Agreement before any funds are disbursed. The agreement will require that either or both the awardee and the educational institution provide a report at the end of the program certifying that the awardee successfully completed the program and that scholarship funds were applied to the awardee's tuition and expenses. You will use these reports to monitor and evaluate the expenditure of funds and the progress made by each awardee. You will promptly investigate any misuse of funds, will require the immediate return of any misused funds, and will not make any further distributions to that awardee.

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.

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

Sincerely,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements