

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: October 27, 2015

Contact telephone number:

LEGEND

UIL: 4945.04-04

X= Grant Program Name
B= Geographical Location
D= Foundation Name

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 won't be taxable.

Description of your request

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

Your mission includes supplementing higher education scholarships, and enabling basic medical research in the areas of heart disease, cancer, and AIDS. The purpose of X is to provide grants to researchers with appointments at universities, hospitals, and/or research centers for the purpose of studying these diseases and other similar diseases. The number of research grants that will be awarded each year and the amount of each grant will vary depending on the amount of funds available to be distributed. You are required to annually distribute the greater of your net income or the amount that must be distributed to satisfy Code Section 4942.

Faculty with primary appointments in universities, hospitals and research centers within the B area may apply. You strongly encourage new or less recognized individuals to apply for funding and you generally encourage seed funding of unique or high priority

projects. You will not support large general programs or project grants to fund research centers.

X will be publicized on your website. Applications consisting of several pages, a detailed research plan and a budget must be submitted from the Institution's senior official for the research function to you as well as the Institution's Form 990. No more than one application from any Institution will generally be accepted for each grant cycle. Completed applications will be referred to your Cardiovascular or Cancer/AIDS Research Review Committee for consideration of scientific merit. These committees function in an advisory capacity to you. Your grant administrator reviews the grant applications and ranks the applicants based on scientific merit, feasibility, and appropriateness of budget. The grant administrator then submits a recommendation to your trustees who make the final selection and determine the amount awarded. Applicants will be notified in writing concerning approval or disapproval, funding amounts, and starting dates, within a few months from the proposal deadline. All grants are awarded on an objective and non-discriminatory basis. No grants may be awarded to any disqualified person as defined in Code Section 4946.

Funding requests and project awards will be of one year duration. Applicants receiving one-year grants may re-apply if their mandatory narrative and financial reports have been satisfactory and if the renewal protocol is endorsed by their Institution's senior official for the research function as the one application for that research field in the appropriate grant cycle.

The Institutions (universities, hospitals and/or research centers) where the recipient has the appointment will administer the grant. It is also understood that the Institution administering this grant is a nonprofit organization with facilities for research. You will pay the grant proceeds directly to the university, hospital, or research center to which the recipient has an appointment.

In addition, you provide a letter to each university, hospital, or research center specifying that the Institution's acceptance of the funds constitutes its agreement to (i) refund any unused portion of the grant if the researcher fails to meet any term or condition of the grant and (ii) notify you if the researcher fails to meet any term or condition of the grant. If the Institution will not agree to such terms you will obtain the needed reports from the researcher. The Principal Investigator (recipient) and the Grantee Institution assume an obligation to expend grant funds for research purposes as set forth in the application, and affirm that there is no duplicate funding for these purposes. If an alternative application for support is activated, either fully or partially, the Principal Investigator and the Grantee Institution will promptly notify you to make the necessary adjustment in funding.

The award based on this application is subject to the following conditions:

- a. Every six (6) months, the Principal Investigator will furnish you with a brief semiannual narrative Progress Report, of work accomplished under the grant.

- b. The Institution's Fiscal Officer will submit a Report of Expenditures within 60 days after completion of each award half-year.
- c. You disclaim any economic interest (direct or indirect) in the work product of the research, including any patent or other rights to which the Investigator or the Institution may make claim.
- d. Results of research may be made available to the public through appropriate scientific channels. All publications must bear the statement: "THIS WORK WAS SUPPORTED BY A GRANT FROM D."
- e. The grant will terminate on the date the Investigator ceases to work at the Grantee Institution, unless advance written permission for a transfer or replacement has been obtained from you.
- f. Unexpended funds will revert to you at the termination of a grant period, unless the grant period is extended by you in writing in advance of termination.
- g. Title to equipment purchased with your funds will remain with the Principal Investigator until the award (including any authorized extension or renewal) terminates, at which time title passes to the Institution. If the Principal Investigator is authorized to transfer his award to another Institution, equipment may not be transferred. Transfer will only be authorized to other Institutions within your grant-making geographic area.

Moreover, a terminal progress report discussing research findings must be provided within sixty days of the termination of the project.

You will maintain such information and documentation until the applicable statute of limitations period expires.

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 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 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 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 distributions with the IRS if necessary.

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,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements