

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:

Contact telephone number:

Date: November 24, 2015

LEGEND

UIL: 4945.04-04

x dollars= Dollar 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 won't be taxable.

Description of your request

Your letter indicates that you will operate an educational grant program to fund research projects.

Your purpose is to preserve land, including rangeland, in its natural state for the benefit of the general public and the surrounding environment. To accomplish this, you research, implement and teach sustainable and environmentally-friendly ranching, forestry and farming practices, all designed to preserve the natural resources of land. In this regard, you pursue research projects, including joint projects with other Section 501(c)(3) tax-exempt organizations with similar missions, to research, explore and evaluate new sustainable ranching, forestry and farming practices.

The purpose of your grant program will be to support the research projects which will relate to the support, exploration and determination of sustainable and environmentally-friendly ranching, forestry and farming practices. The number of grants made in any given year will depend entirely on the nature and extent of the research project that you wish to conduct during that year. The amount of the grant will be specifically tied to the nature

and extent of the activities that will be necessary for the recipient to undertake for the research project. The grant amount will also be limited to a reasonable estimate of the expenses required to accomplish the goals of the project and will be in the range of x dollars.

You will identify individuals who have demonstrated a specific research capability and interest relating to sustainable and environmentally-friendly ranching, forestry and farming practices, and could contribute to the direct accomplishment of a research project identified by you. Some of these individuals may be scientists and/or post-graduate students affiliated with or employed by educational institutions. Depending on the nature of the project, you may identify other individuals affiliated with other organizations, including Section 501 (c)(3) organizations, or individuals not affiliated with any organization, so long as they are qualified.

Because of the nature of your grant program, you do not intend to engage in a significant publicity program. When you identify a particular project and goal you wish to support, you may prepare a summary of the project and goal, and provide the summary of such project and goal to potentially qualified individuals, educational institutions, and other Section 501(c)(3) organizations as well as any other relevant organizations to make potentially qualified individuals aware of the opportunity to receive grant funds and participate in your program. There is also no formal application; however, when you have identified potentially qualified individuals to receive grant funds, you may solicit information and details from such individuals and/or their respective educational institutions regarding their interest, qualifications, and background. The nature of any such communications will vary according to the particular research project and report, product, or item sought by you.

It is anticipated that your staff will identify and select potential recipients through an evaluation of the individual's academic and research capabilities, recommendations from instructors and/or colleagues, and a demonstrated ability to perform the activities that will achieve your specific research objectives. These names will be forwarded to your executive director for final evaluation, approval and grant disbursement. In cooperation with your staff members, the executive director will determine whether the selection of any particular grant recipient will directly further your research goals and mission. It is also anticipated that your executive director, will continue in this role. Eventually, you may establish a committee to evaluate and select recipients after recommendations are made by your staff members.

Your executive director and your staff will not be in a position to derive any private benefit, either directly or indirectly, due to the selection of any particular recipients over other potential grantees. All recipients will be selected on a nondiscriminatory, objective basis

Upon selecting a grant recipient, you will enter into a written grant agreement with such recipients and their respective educational institutions. You anticipate that each grant agreement will identify a specific research objective, and require the grant recipient to

produce a report or specific product/item with direct relevance to your overall mission of exploring and identifying sustainable and environmentally-friendly ranching, forestry and farming practices.

Each grant agreement will require that the recipient and the respective educational institution provide: (1) annual progress reports to you regarding the use of grant funds and progress made towards the particular grant goals identified in the agreement; and (2) a final report outlining the recipient's overall work under the agreement. Each grant agreement will limit the recipient's or educational institution's use of grant funds to activities directly connected with the achievement of the research goals.

Each grant agreement will provide that to the extent that any grant funds are misused, or the terms of the grant agreement are violated, you will have the right to recover any grant funds you provided to the grant recipient or the respective educational institution.

To the extent that a grant is subject to renewal, you will require the recipient and/or respective educational institution to demonstrate that all grant funds have been properly expended towards the goal of the particular research project, and that the recipient has made satisfactory progress towards accomplishing the specific research goals outlined in the grant agreement including the report, product or other item required in connection with the project.

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.

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,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements