

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:

LEGEND

UIL: 4945.04-04

X=

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 provided in Code section 117(c)).

Description of your request

Your letter indicates you will operate a scholarship program called X.

Your purpose is to provide scholarships designed to help the undergraduate and graduate student map out his or her plan for the future as a field scientist.

The purpose of X is to provide scholarship grants that are career specific-awards to students who plan to pursue a career in one of the field-sciences. Field science includes but is not limited to field geology, field geophysics, environmental science, field biology, marine biology, archaeology, anthropology, field studies in sociology, and field studies in psychology. Other areas of study that typically have a field focus are urban planning,

rural medicine, and civil engineering. In essence, we would like to support field-based STEM (science, technology, engineering, and math) as opposed to lab-based STEM.

X is open to students who:

- have a lawful ability to remain in the U.S. for the duration of the scholarship
- have successfully completed their studies at the high school level and have received a high school diploma from an accredited educational institute. A General Educational Development (GED) Certification qualifies
- (studying at the undergraduate level) have been accepted into a four year undergraduate degree program at an accredited education institute that leads to a bachelor degree in one of the field sciences. Preference will be given to the Bachelor of Science degree
- have completed their freshman year in an undergraduate degree program and have received grades for all courses taken
- (if studying at the graduate level) have completed and received an undergraduate degree in the field sciences and have been accepted into a graduate degree program at an accredited education institute that leads to a masters or doctorate degree in one of the field sciences. At the masters level, preference will be given to the Master of Science degree
- are studying fulltime and maintain a fulltime course load (typically 12 credit hours or more), and remain in good academic standing
- maintain at least a 2.7 GPA (on a 4.0 scale) at the undergraduate level and at least a 3.0 GPA (on a 4.0 scale) at the graduate level. Official student transcripts will be used to determine GPA standing
- apply for scholarship awards on a yearly basis (no multi-year awards). Preference will be given to past scholarship recipients
- represent that they will provide you with appropriate reports annually including but not limited to progress reports, professor evaluations, course descriptions, and transcripts
- are studying at an established traditional, public or non-profit "bricks and mortar" campus. X awards are designed to encourage students to investigate and explore the real world. Online or virtual courses will not necessarily disqualify a student. However, strong preference will be given to those students who access online or virtual courses for 20% or less of their credit hours within a particular semester
- do not already have full tuition scholarships

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,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements