

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

**Department of the Treasury**

**Date: August 16, 2016**

**Employer Identification Number:**

**Number: 201646008**  
**Release Date: 11/10/2016**

**Contact person - ID number:**

**Contact telephone number:**

**LEGEND**

**UIL: 4945.04-04**

G = University  
H = College  
J = University  
K = University  
L = Temple  
M = Name  
N = Academy  
y = Number

**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 letter indicates you will operate a scholarship program for Jewish education for converts to Judaism.

The purpose of the scholarship program is to help the converts integrate into their new community of faith through the study of language, culture, history, society, and religious thought. The scholarship amount is fifty (50) percent of tuition and fees and the award will be paid for up to four (4) college-level courses taken over two years. The number of the awards is y in a given year.

The courses may be taken at G, H, J, and K. The Education Committee may approve courses at other colleges and universities with strong Judaic Studies programs. The Education Committee is based in L and directed by M. If the eligible candidate is not already at intermediate level in Hebrew, he must take two semesters of Hebrew as his first two courses before signing up for other courses in Jewish Studies. On-line classes like Jewish Education and Jewish Communal Service are excluded.

The applicant must meet the following criteria:

- a. Be a convert (whose conversion took place up to 20 years ago) to Judaism.
- b. Must have graduated from a secondary school with a grade point average of at least "B".
- c. For the first year of the program, is a graduate of N and also a member of the synagogues participating in N.
- d. After the first year of the program, is a convert who is a member of other conservative synagogues, as well as Orthodox, Reconstructionist and reform synagogues, and unaffiliated converts.

The applicants must submit (a) an application form, (b) a personal statement (400-500 words), (c) a plan of study, and (d) the contact information of the sponsoring Rabbi (who can provide a letter of support).

The scholarship program will be publicized through distribution of flyers and advertisements in newspapers and on your website. It will also be presented at religious gatherings and scheduled prayers.

In order to renew his grant, the applicant must have achieved a grade point average of "B" in the previous course which was paid for by the scholarship fund.

The scholarship grants will be paid directly to the educational institution. Should an individual fail to enroll or is not in good standing, the money will be returned to you. Should a violation of the educational institution's standard occur after the scholarship grant has been awarded, the Education Committee will decline to consider that individual for future grants. The grade will be reported to the Committee via an official report from the institution or from a conversation with the Office of Registrar personnel.

The Education Committee must be familiar with Judaic studies. The Committee, at all times, must have at least three (3) university faculty members. No member of the Education Committee, officer or director, or substantial contributor will be eligible for scholarship grants.

### **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