

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

Department of the Treasury

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Employer Identification Number:

Date: August 27, 2019

Contact person - ID number:

Contact telephone number:

LEGEND

UIL: 4945.04-04

x dollars = Amount
y dollars = Amount
Z = Number

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. The purpose of the grant program is to provide support for graduate students and postdoctoral researchers for travel to and attendance at scientific conferences and similar educational events.

Attending and presenting at professional scientific conferences is critical for the development of future scientists. It gives them an opportunity to present their own research and gain experience in answering questions the research may raise. It also allows them to interact, collaborate, and network with other scientists in their field, which helps to humanize the scientific effort. Additionally, it helps them to raise their academic profiles, hone skills required for success in their fields, and gain confidence in their own abilities.

Despite the educational and professional benefits, support for graduate student and postdoctoral travel to and attendance at scientific conferences has become scarce over

the past decade. The purpose of your grants is to help fill this gap by making grants to graduate students and postdoctoral researchers to defray expenses incurred in attending scientific conferences and similar educational events. Each grant will be applied toward the recipients' travel, lodging, and/or conference registration or similar fees.

You will publicize the program primarily through scientific journals and magazines. You will also work with conference or event organizers to publicize the program through any conference or event website or materials, if possible. Additionally, you may publicize the program through direct mail, e-mail, and word-of-mouth communications to educational institutions, as well as through announcements and promotion by your Directors and Officers.

The amount of the grant will vary depending on factors such as the resources you have reserved for this program, the demonstrated financial need of the applicant, the cost of attending the particular conference or event, and the number of grants you intend to award in a particular year. You anticipate that graduate students and postdoctoral researchers will receive between x dollars and y dollars. You anticipate making up to Z awards each year, depending on the quality and quantity of the applications, and the scientific conferences taking place that year.

Because each grant will be specific to a particular conference or event, there is no process in place for renewal of a grant. A grantee who wishes to obtain a grant for a conference or event in a subsequent year will be required to submit a new application for that specific conference or event.

To be eligible to apply for a grant, the applicants must be graduate students or postdoctoral researchers who desire to attend, or qualify to present at, scientific conferences or similar educational events relating to the scientific study of intelligence. Applicants will need to submit the application for a grant, although no specific form has been developed to date. Applicants also should submit academic records or professional achievement.

All grants will be awarded on an objective and non-discriminatory basis. Your selection committee will be made up of certain members of your board of directors. The selection committee will consider objective criteria, such as, but not limited to, the applicant's potential for academic or professional achievement, the relevance and quality of research performed by the applicant, and the applicant's demonstrated financial need.

No Directors, Officers or substantial contributors, or family members thereof, may receive a grant from you. Also, in no event will a grant be made for the benefit of a particular individual if any Director, Officer, or substantial contributor, or any family member of the foregoing, stands in a position to derive private benefit, directly or indirectly, from such grant.

You anticipate that you will either pay the conference registration fees and related travel and lodging expenses directly on behalf of the selected individuals, or you will require receipts for those expenses from grantees, then you will reimburse.

Following the conference or event, grantees will be required to furnish you with a report describing the use of the grant funds and the grantee's progress toward achieving the purposes of the grant. When possible, you also intend to independently verify the grantee's attendance at the conference with the conference organizer.

You represent that you will complete the following: (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversion of funds from their intended purposes, (3) take all reasonable and appropriate steps to recover the diverted funds, ensure other grant funds held by the grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring.

You represent that you will maintain all records related to the following: (1) individual grants including information to evaluate grantees, (2) grantees which are identified as a disqualified person, (3) how the amount and purpose of each grant was established, and (4) how you established supervision and investigation of the grants described above.

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,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements