

Internal Revenue Service

P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Number: **201947019**

Release Date: 11/22/2019

Employer Identification Number:

Contact person - ID number:

Date: August 26, 2019

Contact telephone number:

Legend

UIL: 4945.04-04

B = Name
C = Name
D = Name
E = School Name
F = School Name

w dollars = Amount
x dollars = Amount

Dear :

You asked for advance approval of your scholarship and educational grant procedures under Internal Revenue Code Sections 4945(g)(1) and 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 scholarships and educational grants. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding scholarships and educational grants meet the requirements of Code Sections 4945(g)(1) and 4945(g)(3). As a result, expenditures you make under these procedures won't be taxable.

Also, awards made under Code Section 4945(g)(1) procedures are scholarships 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(b)).

Description of your request

Your letter indicates that you will operate grantmaking programs called B, C, and D.

Your purpose is to further mathematical discovery by supporting education, research, conferences, and professional recognition.

The purpose of the B, C and D is to further the mathematical discovery by funding opportunities of meritorious undergraduates in pure mathematics majors during summer

college sessions by supporting their education, research, conferences, and professional recognition. You also wish to encourage women to pursue a career in mathematics research through these programs.

Under B, C, and D you will provide funding to outstanding math students to pursue various types of mathematical educational programs and/or mathematical enrichment opportunities at educational institutions including schools E and F with whom you have endowment agreements. Grants under B will be described in Section 4945(g)(1) of the Code while grants under C may have characteristics of Section 4945(g)(1) of the Code and/or Section 4945(g)(3) of the Code. Grants under D will be described under Section 4945(g)(3) of the Code

You will promote B, C and D, by notifying the math departments of targeted and endowed schools including E and F to ensure these schools provide timely and relevant information to qualified students consisting of program specific brochures as well as application criteria pertaining to each particular grant. These schools will also post opportunities on their websites

For periodic grants greater than x dollars, an Advisory Panel consisting of highly qualified members in their respective fields will evaluate the applicants and select the recipients.

For non-periodic grants of less than x dollars, your Board of Directors' Committees or designated Directors will review and select the recipients. Recipients of nonperiodic grants of less than x dollars will be chosen by "factors of circumstance" such as enrollment in a particular academic course.

The selection committees may also give preference to women. Women preference based on gender identification.

Details of B:

The purpose of B is to provide multi-year grants for tuition to meritorious individuals enrolled in pure mathematics curriculum during summer sessions at a selected college or university.

To be eligible for to receive a grant under B, a candidate must:

- Be enrolled at an approved program at a selected college/university;
- Be a Mathematics major or be following a Mathematics course sequence;
- Show proof of exceptional academic achievement or pursuing graduate work;
- Be willing to make a written commitment to complete all requirements and aspects of the program.

To apply for B, a student must complete a student letter and provide academic transcripts as well as references, letters of recommendation, a written affirmation, and other attachments by a specified date. Applicants must also agree to be available for an interview.

The selection committee will evaluate and select recipients based on the information provided. Successful candidates will:

- Be goal oriented which will be determined by using the student letter and/or information obtained from the interview.
- Have demonstrated the potential benefit they will receive based on the evaluation of the letter of recommendation from mentor/professor.
- Have demonstrated commitment based on the evaluation of the written affirmation of the student.

Details of C:

The purpose of C is to provide supplemental grants to help broaden the education experience of those who previously received a grant under B. Examples of programs you will fund include a Mathematics Accelerated Study Semester at a qualified educational institution and a Summer Research Experience for undergraduates at a qualified university.

To be eligible to receive a grant under C, candidates must:

- Be a prior recipient of B.
- Show past meritorious achievements and recognitions based on previous scholarships and grants, completed works, etc.
- Be accepted to the specific opportunity program
- Be able to demonstrate availability of relevant educationally broadening opportunities.

To apply for C, the student must provide evidence that they have been accepted by the opportunity provider. Typically, these opportunities are very competitive and have their own very high standards which for mathematics students are reliably very selective.

The Selection Committee for C will weigh the criteria and match the most suitable opportunity to the most qualifying student based on the consensus of the student, faculty mentor and members of the Advisory Panel.

Details of D:

The purpose of D is to periodically provide grants to individuals conducting and/or receiving education related ancillary services. Examples of items the grants may fund include speaker stipends for specific lectures, and fees for enrolling and completing select online courses. In addition, D can be used as a startup grant to help assist reflective learning by math undergraduate teaching assistants who will need to use a "request-for proposal" process. D may also fund certain teaching arrangements such as when a professor employs an undergraduate research assistant for their research project.

To apply for D, the applicant must generally provide a written explanation of the proposed activity, references from professors and/or mentors, intended benefit, plus any related pending or awarded grants and costs concerning the proposed activity.

The selection committee consisting of your Board Members will evaluate the proposals based on criteria such as the amount of time the professor is willing to spend with the assistant and the availability of research during the desired timeframe or the specific benefit the applicant is able to demonstrate through the proposal and recommendations from mentors and/or other professors. .

Controls for B, C and D:

In general, each grant that lasts from a few days up to a semester will be handled by a single payment. Under these circumstances, termination of individual grant awards for non-compliance may not be feasible. Non-complying individuals would be precluded from further grants and suspected frauds will be referred to law enforcement.

In addition, you have endowment agreements currently with E and F, where you defer the responsibility of grant supervision such as the investigation and recovery of any diverted funds to these educational universities.

You also use the following safeguards to minimize non-compliance and assist in grant supervision:

- For cash stipends, you will award up to y dollars up front. The remainder is paid after the completion of the approved program or activity along with any required reporting.
- If allowed, payment for room, meals, tuition and fees will be made directly to the particular school. In these circumstances, you may be entitled to a partial refund in the event of a no-show or drop-out.
- When feasible, you will try to receive grades or certificates of completion directly from the educational institution. .
- For grants less than x dollars, you will require a written commitment.
- For grants greater than x dollars, you will require a comprehensive written report from the recipient detailing all work products, all presentation schedules, receipts, proof of attendance, all grade reports, and any publications.

Moreover, you will retain all relevant records related to the applicants such as transcripts, letters of recommendation, interviews, notes, acceptance/rejection letters, completion reports, non-compliance reports, disqualified persons, conflict of interest issues, resolutions and substantial contributors etc.

For all of your programs, you represent 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, and (3) take all reasonable and appropriate steps to recover the diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and (4) 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 the following: (1) all records relating to individual grants including information obtained to evaluate grantees, (2) identify whether a grantee is a disqualified person, (3) establish the amount and purposes of each grant, and (4) establish that you undertook the supervision and investigation of 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.

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