

Internal Revenue Service
P.O. Box 2508
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Department of the Treasury

Employer Identification Number:

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Contact Person - ID Number:

Contact Telephone Number:

LEGEND:

B = state
C = year
D = organizations
E = date 1
F = date 2
G = date 3
H = date 4
J = date 5
K = date 6
L = date 7
M = date 8
t dollars = amount 1
u dollars = amount 2
v dollars = amount 3
w dollars = amount 4
x dollars = amount 5
y dollars = amount 6
z dollars = amount 7

UIL:

4942.03-07

Dear :

Why you are receiving this letter

This is our response to your May 8, 2019 letter requesting approval of a set-aside under Internal Revenue Code section 4942(g)(2). You've been recognized as tax-exempt under section 501(c)(3) of the Code and have been determined to be a private foundation under section 509(a).

Our determination

Based on the information furnished, your set-aside program is approved under Internal Revenue Code section 4942(g)(2). As required under section 4942(g)(2),

the set aside amount must be paid within the 60-month period after the date of the first set-aside.

Description of set-aside request

You were formed under the laws of the State of B in C. You are recognized as an organization described in Internal Revenue Code Section 501(c)(3) of the and as a private foundation within the meaning of IRC Section 509(a).

You wish to set aside grants totaling t dollars to D. The grants will be payable over a period not to exceed 60 months from E. The proposed grant timeframe is as follows; u dollars in H, J, K and L and v dollars in M. There are presently no planned additions to the grants after the initial establishment.

The nature and purpose of the research project is to provide up to grants for the purchase, , and operation of . The discoveries possible with these are expected to promote significant advances in chemistry and life sciences.

Each requires . Due to the amounts of data generated,

. The set-aside will allow you the time to identify and select the most appropriate D to prepare and assemble the appropriate teams to utilize the

The cost of each is typically w dollars with a service contract. Dedicated technical support staff is required at x dollars for . On site data processing/analysis support personnel is also required at x dollars for . Therefore, each site is expected to require y dollars.

You expect to provide support of about t dollars per site with the D providing a cost-share for the remaining costs. Each possible grant recipient must demonstrate their commitment for additional funding beyond the z dollars support from you.

You will use a two-stage submission process. Your pre-proposal grant submission deadline is F. Full proposals will be solicited from invited institutions.

You will consider grant requests from individual D or from a consortium of D. However, for any consortium of D, there must be a lead institution. Such lead institution will maintain the on their property and will accept the entire grant award on behalf of the consortium.

Grant proposals should be centered around problems and a research program that is enabled by the . Successful proposals must also include a detailed plan regarding how data scientists will be incorporated into the research teams, how such incorporation will further research goals and how the research will be shared with the broader research community.

Proposals will include descriptions of up to three distinct research projects to which the will be applied that will represent core advances within this larger research program. If instrumentation development work is proposed the D

should address alternative strategies that will be pursued should the new technological developments fail. Each D grant applicant should identify the exact configuration of _____ that will be purchased in the proposal and justify why that level of capability is necessary and appropriate for the proposed research program. All _____ and related equipment purchases and _____ must be complete within two years of the program awards, currently anticipated in G.

It is anticipated that the D will already have adequate facilities and infrastructure to support the _____, will develop data analysis pipelines of broad utility to others, and will support various training programs. Presently there are no plans to acquire or construct new physical facilities as part of the project. Applications will be reviewed by a scientific review committee appointed by you.

Each D will agree to your terms and conditions regarding the grant. Such conditions include that the funds are to support the direct purchase and operation of the _____ and associated research costs and not for overhead or indirect costs, nor for other research.

You reserve the right to schedule site visits to the D grant recipient and monitor the facility construction and _____ and operation. You have the right, at any time during the term of the grant, to request an independent audit related to the accounts related to the grant. Should the audit prove unsatisfactory you have the right to terminate the award immediately and the D agrees to return the value of the award to you within 60 days of termination.

Basis for our determination

Internal Revenue Code section 4942(g)(2)(A) states that an amount set aside for a specific project, which includes one or more purposes described in section 170(c)(2)(B), may be treated as a qualifying distribution if it meets the requirements of section 4942(g)(2)(B).

Section 4942(g)(2)(B) of the Code states that an amount set aside for a specific project will meet the requirements of this subparagraph if, at the time of the set-aside, the foundation establishes that the amount will be paid within five years and either clause (i) or (ii) are satisfied.

Section 4942(g)(2)(B)(i) of the Code is satisfied if, at the time of the set-aside, the private foundation establishes that the project can better be accomplished using the set-aside than by making an immediate payment.

Section 53.4942(a)-3(b)(1) of the Foundations and Similar Excise Taxes Regulations provides that a private foundation may establish a project as better accomplished by a set-aside than by immediate payment if the set-aside satisfies the suitability test described in section 53.4942(a)-3(b)(2).

Section 53.4942(a)-3(b)(2) of the Foundations and Similar Excise Taxes Regulations provides that specific projects better accomplished using a set-aside include, but are not limited to, projects where relatively long-term expenditures must be made requiring more than one year's income to assure their continuity.

In Revenue Ruling 74-450, 1974-2 C.B. 388, an operating foundation converted a portion of newly acquired land into a public park under a four-year construction contract. The construction contract payments were to be made mainly during the final two years. This constituted a "specific project." The foundation's set-aside of all its excess earnings for four years was treated as a qualifying distribution under Internal Revenue Code section 4942(g)(2).

What you must do

Your approved set-aside(s) will be documented on your records as pledges or obligations to be paid by the date specified. The amounts set aside will be taken into account to determine your minimum investment return under Internal Revenue Code section 4942(e)(1)(A), and the income attributable to your set aside(s) will also be taken into account in computing your adjusted net income under section 4942(f) of the Code.

Additional information

This determination is directed only to the organization that requested it. Internal Revenue Code section 6110(k)(3) provides that it may not be used or cited as a precedent.

Please keep a copy of this letter in your records. We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person listed in the heading of this letter.

Sincerely,

Steven A. Martin
Director, Exempt Organizations
Rulings and Agreements