

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

**Department of the Treasury**

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**Employer Identification Number:**

**Date: April 13, 2021**

**Contact person - ID number:**

**Contact telephone number:**

LEGEND

UIL: 4945.04-04

B = Subject  
C = Subject  
D = Name  
E = Name  
F = Name  
G = Subject  
t dollars = Amount  
u dollars = Amount  
v dollars = Amount  
y = 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.

Since your inception, you have been operated to consistently support the scholarly activities of the B Community.

The purpose of your grant making program is to support researchers and students as well as others with significant involvement in B and around the world whose work provides innovation in the scientific fields of B and C.

Under your educational grant program, you will award D, E, and F. You will promote and publicize the availability of your grants through public online domains including your website, scientific forums, social media; advertisements in scientific publications; and sponsorships of scientific conferences and educational symposia.

The Selection Committee will be appointed by your Program Director and will generally be comprised of University Professors, Medical Doctors, and renowned researchers in the fields of B and C.

In selecting individual grant recipients from eligible applicants, the Selection Committee will use objective and non-discriminatory criteria. The Selection Committee will not discriminate on the basis of race, gender, sexual orientation, ethnicity, nationality, or religion. The Selection Committee will be subject to your Board's ultimate direction and authority.

Further, persons not eligible to receive awards under your grant making program are (i) your past or present directors or officers; (ii) any family members of such individuals; (iii) any person who is considered a "disqualified person" with respect to you within the meaning of Section 4946; (iv) members and family members of the selection committee.

#### **Details of D**

The purpose of D is to provide financial assistance to undergraduate and graduate students from academic institutions conducting a research project in the G domain.

To apply for D, the undergraduate/graduate student responsible for the research project can submit the application found on your website: or, a supervisor or university official may submit the application on behalf of the student. The application must identify the undergraduate or graduate student responsible for performing the research described in the application and be electronically submitted to you on your website by a specific due date.

The application must generally include the following:

- Biographical and Contact information
- Student Curriculum Vitae
- Transcripts and detailed experience in B and C
- Description of the proposed project with timelines
- A budget and budget justification
- Letters of Reference and Recommendation
- Student Statement

The Selection Committee will use criteria for the selection of recipients based on the strength and the scientific merit of the application and the scientific insight shown in the application. Specifically, completed applications are scored based on the significance. Of the innovation, the scientific approach, the clarity of the description and the relevance of the project to the goals of D.

The amount awarded will be based on the proposal and be up to t dollars and cannot be used for indirect costs and fringe benefits, tuition, and social and entertainment. It will be paid to the student's educational institution.

### **Details of E**

The purpose of E is to promote innovative uses of C as well as to recognize advancements in the understanding, techniques/technologies or applications of its signal. E is generally open to students, researchers and academia with an interest in C. Interested applicants must electronically submit a detailed proposal with supporting documentation which illustrates such an innovation by a specified due date in late summer/early fall.

Under E, the Selection Committee will review all complete proposals and will recognize the best submission that clearly illustrates:

- C as a key element of the research.
- An innovative application, understanding or technique/technology that uses signals of C.
- Evidence of its usefulness.

The recipient will receive u dollars in funding, specialized equipment and access to software licenses which help evaluate data. All proceeds of the grant will typically be paid to the educational institution the recipient is affiliated with.

### **Details of F**

The purpose of F is to provide grants in order assist students to attend select scientific domestic and international conferences in order to present their work to the research community. Awards will be directly paid to the recipient for up to v dollars and mailed to them. Presently you plan to award up to y such awards annually. To be eligible, the applicant must be a student at a domestic or international academic institution, have submitted an abstract to one of the supported conferences, and the abstract must be accepted for presentation as either a poster or oral presentation.

Your selection committee will review and evaluate the submissions and choose those that show the most merit. Once the abstract has been accepted, the recipients are required to submit the abstract as either an oral or poster presentation at one of the supported conferences. You will consider multiple abstract submissions from a single student regardless of the conference; however, a student can only receive one award. Should multiple students submit for an award using the same abstract and the abstract is deemed worthy of receiving an award, you will only provide one award for the abstract. If the recipient fails to attend the conference, the funding is forfeited.

### **Oversight for all Grants**

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.

You will check the OFAC List of Specially Designated Nationals and Blocked Persons for names of individuals and entities with whom you are dealing to determine if they are included on the list. You will comply with all statutes, executive orders, and regulations that restrict or prohibit persons from engaging in transactions and dealings with designated countries, entities, or individuals, or otherwise engaging in activities in violation of economic sanctions administered by OFAC. You will acquire from OFAC the appropriate license and registration where necessary.

#### **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