



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

Date: 02/27/2023

Employer ID number:
Person to contact:
Name:
ID number:
Telephone:
Fax:

Release Number: 202321017

Release Date: 5/26/2023

LEGEND

D = Date

F = Date

G = Date

x dollars = amount

y dollars = amount

UIL: 4942.03-07

Dear :

Why you are receiving this letter

We received your September 29, 2021 request for approval of a set-aside under Internal Revenue Code (IRC) Section 4942(g)(2). Based on the information furnished, your request is approved.

You are recognized as tax-exempt under IRC Section 501(c)(3) and as a private foundation under IRC Section 509(a).

What you need to do

Document your approved set-aside(s) in your records as pledges or obligations. You must pay the set-aside amounts within 60 months after the date of the first set-aside, as required under IRC Section 4942(g)(2).

Take into account the amounts set aside when determining your minimum investment return under IRC Section 4942(e)(1)(A) and the income attributable to your set-asides when computing your adjusted net income under IRC Section 4942(f).

Description of set-aside request

You requested a set-aside of x dollars for the tax year ending December 31, .

Your mission and activities have evolved to include two parts:

1. Developing a multi-purpose facility that will provide space for education, collaboration, innovations, and exchange of ideas. This includes creating a space for a museum and cultural learning center.
2. Expanding scope of work to meet new human-centered goals which include the focus areas of global access to medicine, donations of assets and drugs to be used exclusively for charitable purposes, a cultural and peace center, and a life science institute.

Through the focus of global access to medicine, you will facilitate the utilization of medical innovation. You have received two donations of tangible assets in healthcare that can be researched and developed for charitable

purposes. You aim to make novel therapies highly affordable and accessible in the underserved regions of the world and improve outcomes for patients living in poor socioeconomic conditions. The goal is increasing accessibility worldwide for patients with autoimmune disorders who otherwise do not have access to these life changing, novel medicines. To do this will require multiple outside parties working parallelly and/or in sequential order tied to various stages of development. You will work continuously to initiate the next phase for two therapies.

Various phases of the drug development will take place over the next 5 years. Drug manufacturing is expected to be completed by F and clinical trials are expected to be completed by G. Because costs and phases of development are estimated to occur over the next five years, disbursements of these expenses cannot be made currently and are expected to take place throughout various stages of development. You expect that the drug development activities will be restricted to clinical trials for the set-aside period. You will continually disseminate the research produced by the clinical trials to the public via accredited scientific journals and conferences.

You have estimated associated costs based on industry standards and vendor proposals received. The estimated amount needed to complete all steps for development of these two therapies is approximately y dollars.

The setting aside of these funds will give flexibility in making payments as per milestones achieved (allow proper timing of related expenditures to complete the project). It will also ensure your commitment for the next phases of development so you can fund a specific research program of large magnitude (requires accumulation of funds before beginning research). The set-aside will be used solely to fund the completion of the project and will be paid no later than 60 months after the date of the set-aside. The set-aside will be evidenced by the entry of a dollar amount on your books and records as a pledge or obligation to be paid at a future date. Further, any amount which is set aside shall be taken into account for purposes of determining your minimum investment return and any income will be taken into account in computing adjusted net income. Any changes in facts will be reported to the Service.

Basis for our determination

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

IRC Section 4942(g)(2)(B) 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.

IRC Section 4942(g)(2)(B)(i) 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.

Treasury Regulation (Treas. Reg.) Section 53.4942(a)-3(b)(1) 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 Treas. Reg. Section 53.4942(a)-3(b)(2).

Treas. Reg. Section 53.4942(a)-3(b)(2) 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 IRC Section 4942(g)(2).

Additional information

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

Visit www.irs.gov/setasides for more information.

We'll make this determination letter available for public inspection after deleting personally identifiable information, as required by IRC Section 6110. Enclosed are Letter 437, Notice of Intention to Disclose -Rulings, and a copy of the letter that shows our proposed deletions.

- If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us.
- If you agree with our deletions, you don't need to take any further action.

Keep a copy of this letter for your records.

We have sent a copy of this letter to your representative as indicated in Form 2848, Power of Attorney and Declaration of Representative.

If you have questions, you can call the contact the person shown above.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Redacted Letter 4797
Letter 437