



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

Date:
01/22/2024
Taxpayer ID number:

Person to contact:

Release Number: 202416016
Release Date: 4/19/2024

LEGEND

B = organizations
C = numbers
y dollars = amount 1
z dollars = amount 2

UIL: 4945.04-04

Dear :

You asked for advance approval of your educational grant procedures under Internal Revenue Code (IRC) Section 4945(g)(3).

This approval is required because IRC Section 4945 provides for the imposition of taxes on each taxable expenditure of a private foundation. IRC Section 4945(d)(3) provides that the term "taxable expenditure" includes any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or similar purposes by the individual, unless the grant satisfies the advance approval requirement of IRC Section 4945(g).

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 IRC Section 4945(g)(3). As a result, expenditures you make under these procedures won't be taxable.

Description of your request

Your letter indicates you will operate a grant program whose objectives are to provide competitive funding for educational and scientific research opportunities that support the efforts of B and improve the care of poisoned patients in the United States. Grant funds may be used for research, laboratory analysis and to fund the costs of health workers associated directly or indirectly with B to attend academic seminars, conferences, or trainings related to the work of toxicology and poison control. Grants will be offered on a rolling basis with up to z dollars awarded per proposal. Any grant award in excess of z dollars must be approved by your board of directors and are limited to those addressing clinical toxicology and are further limited to one award per proposal. Nurses, physicians, and other public health care workers, and students of these professions are eligible to apply. You will post a notice of opportunity via email, electronic bulletin boards, and at staff meetings in advance of national toxicology events. Recipients are selected without regard to age, race, color, creed, sex, disabilities, financial status, or national origin. Recipients are selected based upon their ability to support the efforts of B and improve the care of poisoned people in the United States. Depending on your budget, you

intend to provide C grants annually in the amount of y dollars.

Your directors are the selection committee and they will meet to evaluate and rank the applications.

For research related grants, applicants must submit a proposal that includes the objectives of the research, the critical background data, a timetable for completion with milestones, a description of the study and design methods, physical resources needed as well as other matters. The selection committee will evaluate applications based upon merit, need, and ability to advance the education of public health workers and further the mission of B to improve the care of poisoned people. The selection committee will score and rank applications based on factors such as whether the research project is relevant to clinical toxicology, the level of innovation inherent in the research, suitability of the research methodology and feasibility to complete the research within proposed timelines which cannot exceed two years from the inception of the research.

For grants directed to funding attendance at seminars and conferences, applicants are required to provide their name, contact information, address, name of the conference, and estimated costs to you electronically or in paper format. The selection committee will also score and rank applications based on factors such as whether the conference ties to your mission, whether the level of cost is appropriate as well as whether the applicants are able to obtain money to pay for the educational events from other sources. Priority will be given to those who have no other financial support. You offer a one-time grant to recipients. You will release the money to the recipients when they can provide evidence that they have attended and participated in the approved event along with receipts. In the unlikely event that a recipient provides false receipts and does not use the grant as intended, you will make best efforts to recover the money and ban the person from applying in the future.

Relatives of members of the selection committee, or of your officers, directors, or substantial contributors are not eligible for your awards.

You represent that you will complete the following:

- Arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded,
- Investigate diversion of funds from their intended purposes,
- Take all reasonable and appropriate steps to recover the diverted funds and ensure other grant funds held by a 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 diversion from occurring.

You also represent that you will:

- Maintain all records relating to individual grants including information obtained to evaluate grantees,
- Identify a grantee is a disqualified person,
- Establish the amount and purpose of each grant, and
- Establish that you undertook the supervision and investigation of grants described above.

Basis for our determination

IRC Section 4945 imposes excise taxes on the taxable expenditures of private foundations. 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 the following requirements of IRC Section 4945(g) is not a taxable expenditure.

- The foundation awards the grants 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 IRC Section 117(a) and is to be used for study at an educational organization described in IRC Section 170(b)(1)(A)(ii); or
 - A prize or award subject to the provisions of IRC 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 Regulation 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 only covers 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 a precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes to your program to the IRS at:

Internal Revenue Service
 Exempt Organizations Determinations
 TE/GE Stop 31A Team 105
 P.O. Box 12192
 Covington, KY 41012-0192

- You can't award 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 further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with IRC 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'll make this determination letter available for public inspection after deleting personally identifiable information, as required by IRC Section 6110. We've enclosed 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.

Please keep a copy of this letter in your records.

If you have questions, you can contact the person shown at the top of this letter.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Letter 437