



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

Date:  
01/14/2025  
Taxpayer ID number:  
  
Person to contact:

Release Number: 202515017  
Release Date: 4/11/2025

LEGEND

D = Name  
E = Name  
F = Country  
G = Names  
H = Number  
J = Number  
K = Number  
M = Name  
N = Number  
P = Numbers

UIL: 4945.04-04

x dollars = Amount  
y dollars = Amounts

z dollars = Amounts

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 two grant programs under IRC Section 4945(g)(3) called D and E. These

grants are educational opportunities for underrepresented individuals in the visual arts community and institutions in order to broaden their perspectives.

Both programs will be publicized widely via word of mouth through globally recognized art world leaders, industry publications, museums and educational institutions relevant to the visual arts, aiming to target individuals and organizations that fit specific criteria.

Eligible candidates for your grant programs will have either:

1. Held positions at F institutions and/or have actively curated a socially or politically transformative show at an institution or space; positively impacted a space, community, or culture in their official role as a curator, or worked on self-organized, self-funded, artist-centric projects in alternative venues that are boldly experimental and transformative; or
2. Had worked as a visual-arts professional, administrator, or artist who has demonstrated a commitment to diversifying narratives and voices in the visual arts.

In addition, to be eligible for your grant programs, candidates:

- Must be within the first five years of their career (defined as a maximum five years post-education, and first five years in a position and/or first five years actively curating/contributing to institutions and or launching a project that contributes to lesser resourced communities and audiences.)
- Should possess grit, persistence, commitment, determination, and exceptional talent such that they have stood out in their organization or community for more experienced, globally recognized changemakers in the visual arts who are also committed to diversifying narratives and voices in culture.
- Must demonstrate their wages for curatorial work has been less than the living wage of the city where they work and/or live (candidate by candidate). (Potential participants will be required to provide a salary history and current compensation.)

Further, in order to attain your goals of creating diversity in the arts and museum communities, following criteria are not eligibility requirements, but will be considered:

- Females that identify as G, working in a rural area,
- Persons with disabilities.

Additionally, an ideal successful candidate is a “first” such as:

- Their first international travel research experience in the visual arts world;
- Their first opportunity to actively network with influential individuals in the sector;
- Their first opportunity to engage with mentors and peer cohorts.

No grant recipient may be related to any officer, trustee, or donor to you. Relatives of members of the selection/nominating committees, your officers, directors, or disqualified persons are not eligible for awards made under your program.

## Specifics of D

The purpose of D is to award fellowships to empower early-stage visual arts curators, educators, and administrators in order to strengthen ecosystems of F visual art spaces and institutions as well as broaden the perspectives represented in the F visual art communities and institutions. Under D you will provide resources, tools, and support for professional growth through relational skills workshops, mentorship, peer support, international research travel financial grants, and access to community building networks. Each grant will be

attached to a one-time opportunity to participate. There will not be an option to renew.

The fellowship will provide each recipient with:

1. An unrestricted grant for x dollars;
2. A mentor who is a more established arts professional and may require recipients to complete assignments that will be structured to allow them to take full advantage of all aspects of D;
3. In person work shops with leaders in the arts, business and academic world about relevant subjects. These work shops will:
  - Focus on helping them develop “soft” social and cultural skills that are often neglected in formal training contexts and are critical to developing as art-related professionals;
  - Be designed to ensure they are able to maximize the educational impact of the trip and the rest of D.
4. An international research trip that takes recipients to an environment where they have access to museums and exhibitions, as well as to artists, curators, museum directors, and collectors. This environment will provide participants with the opportunity to:
  - Better understand the creation of art;
  - Engage in and navigate the creative and art related ecosystem in which they practice; and
  - Receive educational development and mentoring.
5. On going support for professional growth.

The value of the entire suite of programs is in the range of y dollars per participant that may vary slightly year to year due to variation relating to travel costs and other program expenses. Your Executive Director and/or Founder and/or contracted expert professionals in relevant fields will accompany individuals on trips and organize all work shops.

To select D recipients, you will use H diverse groups of experts in the visual arts who will suggest J participants, for a total of K nominated participants. Those K nominated participants will be reviewed by your Executive Director and the M Curatorial Director, who will select N participants. If a nominated participant fits the criteria, they will be invited to participate. Since specific schedules and conditions may be inflexible, some recipients may have to defer to another year.

You will require all recipients sign an agreement in advance acknowledging the terms of D and the code of conduct. Any participant in violation of those terms will be asked to leave, and D will be revoked.

Program participants will be asked to remain engaged with D after completing formal participation in D although this is not a requirement. Their participation in future work shops will allow them to bring to those work shops the perspective of individuals that have completed D and have experienced with the potential opportunities that D provides and what can be done to maximize the educational impact. In addition, continued engagement by previous participants will support D’s goal building a community of artists that will serve as a long lasting peer support system for each other.

#### Specifics of E

The purpose of E is to provide direct financial support in order to empower visual artists at the beginning of social and community driven projects whose purpose is toward changing systems. Community projects are defined as public artworks, installations, multi-layered exhibitions and other scalable concepts and tangible objects that have an ongoing impact on their community. Relevant projects utilize social forms rather than traditional studio media or making processes and should propose critical interventions towards creating systemic change. Projects can be in process and not yet complete in order to receive a grant. Under E, you intend to award in the range of P nonrenewable grants in the range of z dollars. The precise number will depend

on the number of suitable candidates. In addition to financial support, the recipients will receive access to networks and other resources toward realizing a sustainable, scalable, and transformative platform or program that incorporates new ways of thinking.

The candidates will be identified by your Executive Director and Board of Directors, all of who are actively involved with community art. Candidates will complete an application and project proposal to determine if they meet the stated criteria and will be vetted internally.

All chosen recipients are required to sign an agreement in advance acknowledging the terms of their grant and code of conduct. Any violation of those terms will result in the grant being terminated.

Funds will be distributed once recipients have completed a report demonstrating the community impact of their project.

Oversight for both D and E:

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.

We've sent a copy of this letter to your representative as indicated in your power of attorney.

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,

Steven A Martin  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures:  
Letter 437