



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities

Date:
12/19/2025
Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202611020
Release Date: 3/13/26

LEGEND

B = Program
C = Profession
d dollars = Dollar
e dollars = Dollar
F = Number
G = Range

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 B. You have stewarded the development of an initiative to ensure that C curriculums balance the needs of people, the planet, and economic growth. You have created a framework related to this initiative which is a practical implementation tool to help educators imbed these principles into C education. Individuals who have demonstrated a commitment to the work of your initiative are referred to as your initiative community. Through B, you plan to provide travel support and support for event registration and organization fees to individual members of your initiative community to allow them to participate in educational convenings, meetings, and conferences related to your initiative and thereby improve and enhance their educational capabilities and skills and, by extension, the educational capacities and skills of their broader respective networks.

Through B you will make grants to individuals to allow them to attend initiative-related convenings conferences and meetings hosted by you (foundation convenings), hosted by other nonprofit organizations (other nonprofit convenings), and other initiative convenings organized by individual members of the network (network convenings). Grants will support or fully cover the cost of transportation, lodging, and/or food during the initiative conference or meeting. Grants can also support the cost of convening-related expenses or supplies incurred by the hosting network member, such as space rental, food and beverage, or hiring a facilitator or presenter.

You anticipate that the maximum amount of a grant under B would be approximately d dollars and the average amount would be approximately e dollars. You plan to award up to F grants in any given year and anticipate awarding an average of G grants annually.

You will publicize the availability of grant support in your initiative newsletters, on media such as on _____, or at various initiative convenings, meetings, or conferences in order to inform new members of your initiative community about M's existence and future opportunities. To the extent that any proposed grant recipient is not a U.S. citizen, you will check the OFAC list to confirm the individual's name does not appear on any such list.

Network convenings generally will be open to members of your network, with any member of the network being eligible to apply for B. Your network currently has H members and you hope for the network to continue to grow. For foundation convenings and nonprofit convenings, grant opportunities will be available to a broader group of eligible individuals that includes, but is not limited to, members of your network. In all cases, however, eligibility will be limited to individuals with demonstrated interest and active engagement in your initiative.

Individuals who are seeking support to attend initiative convenings, or who are seeking support to both put on and attend such program, will complete an application form. The application will request:

- Identifying information,
- Any relevant institutional affiliation(s)
- Describe their involvement in your initiative
- Explain why they are seeking support
- Identify the specific expenses for which they are seeking support
- An explanation of any financial need
- Describe the educational and/or scientific purposes or outcomes they anticipate emanating from their attendance at the initiative conference, and
- Indicate whether they have received a prior grant from you and confirm that they are not related through family or business to any of your directors, officers, or staff.

Applicants will be selected based on their level of engagement, motivation, and potential to realize their specific charitable, educational or scientific goals. You do not have a process for grant renewal, since each grant is specific to a particular initiative convening, but an individual who has received a grant in the past is not prohibited from applying to receive a subsequent grant if they continue to meet the requirements for eligibility and selection.

You anticipate that the terms and conditions of your grants generally will be contained in a letter of agreement with the selected recipient that limits the use of the funds to those described in the application. You plan to pay the travel and lodging, event-registration fees, and other convening-related expenses directly on behalf of the selected individuals. If this is not possible, you will require receipts for those expenses from grantees that you then would reimburse after the event. Grantees will be required to furnish a brief report describing the use of the grant funds and the grantee's progress toward achieving the purpose of the initiative convening. You will also

verify the grantees attendance at the initiative convening, when possible.

At present time and for the foreseeable future, you anticipate that selections will be made by your staff who have been delegated the responsibility by your Board of Directors, rather than by a selection committee. However, you anticipate that you may seek input from individuals within your network to participate in the selection process, including having network members review applications and make recommendations to your staff. Moreover, in the future, you may delegate selections to a committee that may include both staff and engaged individuals who are part of your network. Under all circumstances, individuals who participate in the selection process will be ineligible to receive grants under B. All such individuals will be required to disclose conflicts of interest and abstain from participating in the review or recommendation of any grant where a conflict of interest exists.

No disqualified person will be eligible to receive a grant from you, nor will any member of your staff, any member of any selection committee, or their respective families.

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.
- The effective date of our approval is _____, which is the date your request was submitted.
- 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,

Stephen A Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Letter 437