



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

Date:
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Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202614033
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LEGEND

B = Program
C = Name
D = Type
E = Network
F = Range
G = Conference
H = Workshops
j dollars = Dollars
K dollars = Dollars
L = Number
m dollars = Dollars
n dollars = Dollars
O = Number
P = Number

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 helped develop the C platform, designed to share, learn, and build community; to create awareness and communicate D education's impact; and to facilitate connections and collaborations that broaden the D education ecosystem. You also helped develop the E, a coalition of F educators, nonprofit leaders, researchers, government agencies, funders, and others who are building and supporting the field of D education. Through your C community, E members can reinvigorate their teaching practices through mentorship, peer support, and professional development that will help them to feel confident and enthusiastic about integrating D education into their curriculums. The purpose of B is to provide travel support and support for meeting-related expenses to members of the E to allow them to participate in educational convenings focused on D education, thereby improving and enhancing 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 participate in or to put on C educational convenings. Eligible educational convenings include your own G and also H held by E members. Your G generally includes, but is not limited to, educational sessions on maximizing D education opportunities in and out of the classroom, developing an D education ecosystem, how to teach students to be problem solvers, and the need for expanding access to D education. The H allow small groups of E members to further pursue project ideas that support field-level growth and sustainability in invention education.

For your G, you anticipate that the maximum amount of a grant could be up to approximately j dollars and the average amount would be approximately k dollars, with specific amounts dependent on locations of travel, costs of lodging, and other relevant factors. You anticipate that you could award L grants in any given year, dependent on the number of individuals applying for support and the available resources for the program.

For your G, you anticipate that the maximum amount of a grant could be up to m dollars and the average amount would be approximately n dollars, depending on the location of travel, number of individuals in the group who are applying, and the costs and purposes of the specific workshop-related expenses. You could award O grants in any given year.

You may publicize the availability of G grants through a variety of means, including email newsletters communications, website or direct emails to E members. You may publicize the availability of H grants through a variety means, including email newsletter communications to E members or direct emails to attendees of the recent G. You will seek to reach as many members of the E as reasonably possible.

Any person who is participating in C activities may become a member of the E, and any member of the E is eligible to apply for a grant to attend G. Anyone who has attended a recent G and wishes to thereafter continue to pursue a collaborative D-education-related project with other E members may apply for a grant to attend a H. You estimate there are approximately P members of the E, but you anticipate this number to continue to grow. You limit your support to members of the E to ensure that the group from which grantees are selected is reasonably related to the purposes of the grants and to advance D education.

E members who are interested in attending an upcoming G and who wish to seek travel support must submit an application providing (1) demographic information, (2) a description of their educational goals, (3) the purposes for attending G. You evaluate the applications based on criteria including financial need and level of engagement in E activities. Additionally, you may prioritize support to educators and students over other E professionals based on the convening goals.

E members who have attended a recent G and who then wish to seek support to conduct or attend H are also required to complete an application form. Small groups of people (generally between three (3) to fifteen (15))

apply together, identifying each person in the working group and their organization name and identify one group member who serve as lead. In the application, applicants are required to propose the specific D-education-related initiative that they are seeking to advance, the educational goals of such initiative/project, the problem they want to solve, and why they believe their ideas present a viable solution to the topic challenge. Lastly, applicant for both G and H must indicate whether they have received prior grants from you and must confirm that they are not related through family or business to any of your director, officer, or staff person.

Selection of grant recipients will occur on a convening-by convening basis and will be based on the responses submitted by applicant. You review application as they are submitted, and consider both the stated financial need, the reasonableness of costs for which support is requested, the specific educational purpose of the convening, as well as the grantee's potential/ability to achieve or advance the educational and scientific outcomes and goals described in the application. Because each grant will be specific to a particular convening, there is no process in place for renewal of a grant. However, 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.

The terms and conditions of each grant will be contained in a letter agreement with the selected recipient(s) that limits the use of the funds to those described in the application. Following the completion of a grant, grantees will be required to furnish to you a summary report describing the use of the grant funds and the grantee's progress toward achieving the purposes of the convening. The summary reports for H must also outline key takeaways and next steps for the group and the project, along with the final expense budget tracking all actual expenses. You will independently verify the grantee's attendance at the convening, when possible.

At the 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 may consider establishing a selection committee that would be made up of your staff as well as members of the E, members of other foundations, or members of your advisory committee. All selection committee members would be determined by you, and decisions of the selection committee would be subject to your final approval.

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