



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

Date:
04/06/2026
Taxpayer ID number:

Person to contact:

Release Number: 202627025
Release Date: 7/2/26

LEGEND

N = Number

x dollars = Amount

y dollars = Amount

z dollars = Amount

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-making program to provide funding for conference travel to individuals engaged in research and scholarly activity in earth and planetary sciences.

You anticipate awarding approximately N grants per year. Individual grants typically range between x dollars to y dollars per recipient. Your annual grant budget is approximately z dollars per year. Grants awarded are one-time, non-renewable travel grants. There are no requirements to obtain or maintain eligibility for renewal. Continued eligibility for future grants, if any, would require submission of a new application and independent review under your current procedures.

You publicize your awards program through your website, direct community outreach and online application. You anticipate that the number of individuals who both meet your eligibility criteria and demonstrate a need for supplemental travel funding is likely in the hundreds annually.

To be eligible, applicants must be conducting research or scholarly work in earth or planetary sciences who have an accepted presentation (oral or poster) at a recognized scientific conference and they must demonstrate that the proposed travel advances your charitable mission and must not be disqualified persons as defined under IRC Section 4946.

Your selection criteria will be based on scientific relevance of the applicant's proposed conference presentation, alignment with your charitable mission, feasibility of the proposed travel, anticipated educational or scientific benefit, and demonstration of need by the applicant. Relatives of members of your selection committee, or of your officers, directors, or substantial contributors are not eligible for awards made under your program.

To determine "need," applicants are asked to disclose the total estimated cost of conference travel (airfare, lodging, registration, ground transportation) and any confirmed or anticipated funding from their institution, employer, or other third-party sources.

You consider the reasonableness of the funding gap relative to the total travel budget and the applicant's circumstances to determine "need." The "funding gap" is calculated as the difference between total travel costs and available funding from other sources. Applicants who demonstrate that they lack sufficient institutional or third-party support to cover their travel expenses are prioritized, though no specific dollar threshold is required.

Your selection committee is determined by your officers and may include independent external reviewers with relevant scientific expertise. Any selection committee member with a real or perceived conflict of interest will recuse themselves from the review and decision-making process.

Upon approval, the recipient is notified of the maximum grant amount approved. The recipient completes the conference travel using their own funds. After travel, the recipient submits itemized receipts, proof of attendance/presentation and a brief post-conference summary. You review the documentation to verify that expenses are eligible and that travel was completed as proposed. You issue reimbursement payment (via check or electronic transfer) to the recipient for documented expenses up to the approved grant amount. No advance payments are made.

To ensure funds are used for exempt purposes, grants are approved only for attendance at recognized scientific conferences in earth or planetary sciences. Eligible expenses are limited to conference-related travel costs (airfare, lodging, registration, ground transportation). Reimbursement is issued only after receipts and proof of attendance are verified.

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