



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

Date:
04/17/2026
Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202628014
Release Date: 7/10/26

LEGEND

UIL: 4945.04-04

B = Number
C = Grant
d dollars = Dollars
E = Grant
f dollars = Dollars
G = Number
H = Number

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 an individual grant program under IRC Section 4945(g)(3). Your overall mission is to support emerging sports photographers by creating a community that develops and advances their skill and vision. Your grant program was established to promote your mission by assisting photographers with training and career development. Your grant program is publicized heavily on social media, through the application portal, and the professionals on your board promote it vigorously through their industry and academic networks.

Your program is open to emerging and early-career sports photographers, and successful candidates are usually engaged in collegiate-level study or within the first B years after their academic training. Photographers with more than B years cumulative paid professional sports photography experience are considered beyond the scope of your grant program. However, there are no age or educational-level criteria.

All candidates are required to complete an application which consists of a portfolio and background information. Applicants are eligible to apply for additional tiers of support by submitting additional essays. Submitting the application only enters the applicant into the selection pool for your C grant, for d dollars.

Submitting an additional essay enters the applicant into the selection pool for both the C grant and the E grant. If the applicant is not selected for the C grant, this essay enables them to be eligible for the E grant of f dollars. E focuses on candidates whose portfolios demonstrate talent and technical skills but have significant economic, geographic and/or cultural challenges that have impacted their ability to advance their careers. The essay is expected to describe how cultural, political, and/or geographic challenges impacted the applicants photography career, and specifically how they have effected their access to education, training, mentorship or career advancement.

Submitting an alternative essay, describing how they would benefit from a mentorship, enters the applicant into the selection pool for the C grant and your mentorship program. If the applicant is selected for the C grant, the essay could enable them to be further selected to participate in your mentorship program which yields an additional f dollars, on top of the d dollars awarded for receiving the C grant. The mentorship program allows the recipient year-long access to leading industry professionals on your Advisory Board. Your Advisory Board is comprised of sports photojournalists and editors who are among the top professionals in America. Their work is featured in major media outlets. They give freely of their time and expertise, and they create an open and mutually respectful environment in which your grant recipients can flourish. Recipients will be linked to a mentor (from the Advisory Board). Each mentorship pair crafts a personalized plan. This may include, but is not limited to, developing a project or story, improving work flow, refining their portfolio, and providing advice on freelancing and/or interviewing for staff positions. The mentors may also provide introductions to other professionals on your Advisory Board or within the industry who might aid in career development.

Each year up to G grants will be awarded. You anticipate selecting up to H recipients for your C grants, with up to B of these recipients being accepted into your mentorship program. You anticipate selecting up to B recipients for your E grants. In addition, previous grant recipients are able to apply for a one-time follow-up grant of f dollars. The award amounts may change from year-to-year depending on the availability of funds.

Your Board of Directors annually chooses a highly qualified and diverse group of H individuals to act as a judging panel. The judging panel selects recipients based on talent and skill as evidenced by the applicants submitted resume, professional bio, portfolio of selected sports photography images, and essays, if applicable. All decisions of the judging panel are final and not subject to appeal.

Grants must be spent on career development. Within one year of receipt, grantees must submit a report with receipts demonstrating that their usage of the grant funds fall within your mission. According to the agreement signed when the funds are received, if the year-end report does not demonstrate acceptable usage, the grantees are required to return the funds. Examples of acceptable usage include purchase of photographic equipment and supplies, the cost of courses and software, workshop tuition, and direct travel costs associated with career opportunities. The recipients will also receive an expenses-paid trip to your annual sports photography event.

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:
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