



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

Date:
04/15/2026
Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202628016
Release Date: 7/10/26

LEGEND

X = Number Range
Y = Number
Z = Number 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 a fellowship program to advance education and research by supporting individual scholars, practitioners, and artists engaged in independent inquiry, interdisciplinary research, and creative or scholarly work addressing complex social, cultural, technological, and ethical questions of long-term public significance.

The fellowship will provide recipients with temporary access to workspaces, accommodations, and an intellectually collaborative environment at your headquarters in order to facilitate focused study, research, reflection, and the development of scholarly, educational, or creative outputs. Your headquarters offer an environment for deep thinking, creative risk-taking, and unexpected collaboration, where you will convene X extraordinary thinkers, creators, and builders to explore ideas that could shape the world and meet its needs a decade or more from now. Fellows will pursue projects that contribute to the advancement of knowledge, foster cross-disciplinary learning, and encourage critical examination of emerging and future challenges.

The fellowship is conducted as a residency program with cohorts of X fellows. All fellows are required to participate in an initial Y week residency period. After the initial period, they may elect to extend their residency for a total duration of Z weeks. You will offer a Fall and Spring cohort annually.

The fellowship program will not provide cash grants or compensation. Support is mostly limited to non-monetary resources intended solely to enable educational and research activities. You will provide complimentary accommodation at your headquarters, a nominal stipend to cover transportation, meals, and access to your other programming and events. Fellows also receive curated opportunities to connect with experts, practitioners, and mentors tailored to specific projects.

You will publicize the program through your website, newsletters, social media, and emails, and through your network of partners and partner organizations. Your fellows are chosen through an annual open call and internal nominations, with all candidates undergoing the same application and review process.

To be eligible for your grant, the recipient must:

- Be 18 years or older
- Be proficient in English
- Be able to participate fully under applicable laws
- Provide two professional or academic references and participate in an interview
- Ensure there are no third-party rights to the selected project or work conducted under the fellowship
- Participate in all program activities

Fellows are selected through a competitive application process using documented, pre-established evaluation criteria designed to assess the educational merit, future-oriented inquiry, and potential public benefit of the proposed work. Given the exploratory and long-term nature of the fellowship, applications are evaluated with particular attention to the applicant's articulated vision and capacity for rigorous intellectual inquiry. Selections are made based on the following weighted criteria:

- The clarity, originality, and coherence of the applicant's long-term educational or scholarly vision, including the ability to articulate future-oriented questions, hypotheses, or areas of inquiry that warrant sustained exploration.
- The rationale for pursuing the proposed work at the present time, including readiness for focused study, research, or creative development during the fellowship period.
- The potential of the proposed work to contribute to knowledge, learning, public understanding, or interdisciplinary discourse over time.
- The applicant's demonstrated capacity for critical self-reflection, acknowledgment of uncertainty, and thoughtful engagement with unresolved or complex questions.
- The degree to which the proposed work aligns with the fellowship's educational purpose and emphasis on interdisciplinary exploration and ethical reflection.
- The applicant's interest in and ability to engage constructively with other fellows and contribute to the general communities.

Applications are reviewed holistically, and final selections are documented based on the selection criteria. After the initial review, your Selection Committee will schedule interviews with applicants who passed initial review. After interviews are conducted, selections will be made by the Selection Committee without regard to personal financial need and without preference to any individual or entity that would confer private benefit.

You will establish a Selection Committee composed of your board, leadership and/or internal staff members with relevant programmatic and educational expertise. In future program years, you anticipate expanding the Selection Committee to include external advisors or subject-matter experts, who will also be required to comply with your conflict-of-interest policies and applicable grant making procedures. Relatives of members of the Selection Committee, or of your officers, directors, or substantial contributors are not eligible for awards made under your program. Your committee members are subject to and must comply with your written conflict of interest policy. Your committee members are required to disclose any actual or potential conflicts of interest and to recuse themselves from the review or selection of any applicant where a conflict exists.

Your fellowship grants will not be renewable. You will select new fellows for each cohort. In order to obtain and maintain a fellowship, in addition to meeting the eligibility requirements, each fellow must produce one public-facing presentation during their residency, such as a podcast, panel, performance, or similar presentation.

You maintain oversight of each fellowship to ensure that participation is limited to educational and research activities consistent with the charitable purposes of the program. Prior to the start of the residency, during the application process, each fellow is required to submit a written proposal describing the educational, scholarly, or creative work to be pursued during the fellowship period and to acknowledge in writing the terms and conditions of the award, including its non-commercial and non-compensatory nature. Your staff maintain regular contact with fellows through scheduled check-ins and participation in program activities. Fellows are required to engage in the residency for the agreed-upon duration and to use the provided accommodations and workspaces solely for the approved educational and research purposes.

Upon completion of the residency, fellows are required to submit a brief report describing the work undertaken, progress made, and how the fellowship resources were used to support their educational or scholarly objectives. If a fellow fails to comply with the terms of the fellowship or uses the provided resources for non-approved purposes, you reserve the right to terminate the fellowship early and withdraw access to program resources.

Your staff and Board of Directors will have the responsibility to keep permanent records of the application and supporting material submitted by the applicants, records of meetings and actions of the Selection Committee, account for all stipend funds, and disburse funds.

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, Letter 4792 - Redacted