



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

Date:
07/15/2026

Taxpayer ID number:

Person to contact:

Name:

ID number:

Telephone:

Release Number: 202641015

Release Date: 10/9/26

LEGEND

B = Number Range

C = Number

D = Number Range

E = Number

y dollars = Dollar 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 grant program to provide financial assistance to support women artists in the fields of visual art, choreography, and performance art for the development of their artistic vision. Your scholarship grants are intended to have a significant impact on each recipient in the fields of visual art, choreography, and performance art. You will not publicize your program and will not have an application process.

Your grants will be publicized on your website. Your website will describe the grant program, the specific artist group categories you support, and the artist groups from which nominators will identify recipients meeting program goals. Your nomination process will not require a formal application, instead artists may express interest to anonymous nominators who will then confidentially evaluate potential recipients.

Your pool of potential/eligible recipients will be women artists who are in the beginning stage of their

development as artists and who appear to be creating distinctively experimental work and who therefore would be predictively benefitted by financial support not otherwise available to such artists.

You anticipate selecting a diverse selection committee of B artists, educators, and arts professionals in the fields of visual art, choreography, and performance art. After receiving a program overview, each member of the selection committee will nominate C candidates to your board, providing selection reasoning and background information for each proposed candidate. You will also conduct independent research on each recommended recipient. You anticipate D candidates will be presented to your Board of Directors who will meet to review the nominations annually. Given your board's extensive experience, you are confident in your board's ability to appoint a professional nominating committee that aligns with your mission.

Potential recipients will not be notified in advance that they are being considered for this award, nor will any additional material be requested of them. At each of the two steps in the selection process, the criteria for identifying a grant recipient will be the same for the nominators as well as your Board of Directors. Recipients are ultimately selected based on:

- Their previous work
- Exhibition record,
- Reviews,
- Artist statements,
- How the work of this artist would impact their respective field, and
- How this financial support would benefit the work of this artist at this time in their career.

After your board selects recipients each fiscal period, winners will be notified and must submit a short acceptance statement. This statement must explain how the award will benefit their work to ensure it aligns with program goals. Each acceptance statement is reviewed and if approved the grant is paid directly to the recipient in two equal installments at the beginning and end of the year. You intend to follow up with all recipients throughout the year to ensure the funds are serving their intended purpose. Recipients will be asked to submit a short report of their accomplishments accompanied by documentation within the fiscal year of the grant. You will conduct a final assessment at the end of the period to confirm the grant's impact. You expect to award E scholarship grants, split evenly between the three categories: visual art, choreography, and performance art. Each recipient will receive between y dollars.

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

cc: