



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

Date:
08/03/2026
Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202644007
Release Date: 10/30/26

LEGEND

B = scholarship
C = institute
D = certification
E = certification
f dollars = dollar amount
g dollars = dollar amounts

UIL: 4945.04-04

Dear :

You asked for advance approval of your scholarship procedures under Internal Revenue Code (IRC) Section 4945(g)(1). You requested approval of your scholarship program to fund the education of certain qualifying students.

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 scholarships. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding scholarships meet the requirements of IRC Section 4945(g)(1). As a result, expenditures you make under these procedures won't be taxable.

Additionally, awards made under these procedures are scholarship or fellowship grants and are not taxable to the recipients if they use them for qualified tuition and related expenses (subject to the limitations provided in IRC Section 117(b)).

Description of your request

Your letter indicates you will operate a memorial scholarship program called the B. The purpose of the B is to encourage students to pursue professional certification and careers in hazmat, safety, and environmental stewardship by providing scholarships to to undergraduate and graduate students enrolled full-time in hazmat or safety, health, and environmental programs approved by the C.

You will publicize the B on your website, the website of the C, as well as through social media, newsletters, and partner schools.

Total available funding for the B will be approximately f dollars per year. You will split this funding evenly between two categories of recipients: those enrolled in undergraduate or graduate education in approved schools who qualify as either D or E. Individual awards for both categories will range from g dollars. Funds may be applied toward tuition, school fees, and required textbooks or course materials.

Eligible applicants must meet the following criteria:

- Full-time undergraduate or graduate students enrolled in a qualifying program at an accredited institution.
- Must be in good academic standing with a minimum of a 2.0 GPA and at least one full academic year remaining in their degree program.
- Must have attained status as a D or E and show a clear commitment to a professional career in these fields.

Eligible applicants must submit a complete application package by your annual deadline, which should include a brief personal statement, two recommendation letters (one from faculty), transcript, summary of activities or leadership roles, and a professional photo for recognition purposes.

Recipients will be chosen based on merit and need through an objective process by an independent volunteer committee appointed by the C Foundation Board based on their expertise, integrity, and commitment to impartial evaluation. No current staff of the C may serve on your committee. Committee members will serve without compensation and must disclose and recuse themselves from any potential conflicts of interest.

Each eligible applicant will be scored by your committee on academic achievement, professional goals, career commitment, community involvement, leadership and service, financial need, and recommendations. After applicants are scored and ranked by your committee, the C Foundation Board will review and approve the final selections. The board will not alter any of your committee's rankings of eligible applicants.

You will administer and monitor all scholarships to ensure funds are used solely for educational purposes. Before disbursement, recipients must provide proof of enrollment and an official transcript verifying academic standing. A final transcript or confirmation of continued eligibility is required after the funded term. Any misuse of funds or violation of terms will be promptly investigated, and you may suspend or revoke scholarship awards and seek repayment of any misused amounts. You will also withhold all future payments until assurances are received that corrective measures are in place.

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 grant 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 the provisions of IRC Section 117(a).
- The grant is to be used for study at an educational organization described in IRC Section 170(b)(1)(A)(ii).

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.

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