

**Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201**

**Department of the Treasury**

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**Employer Identification Number:**

**Contact Person - ID Number:**

**Date: February 21, 2012**

**Contact Telephone Number:**

**LEGEND**

**UIL 4945.04-04**

B = Name of Program  
D = Name of Program  
M = Programs  
w = Number  
x = \$  
y = Number  
z = Number

Dear :

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated July 29, 2011.

Our records indicate that you were recognized as exempt from federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program called M, which consists of B and D.

M was established to achieve the objective of enhancing the education of disadvantaged children and to enhance various skills of the travelers such as leadership skills and communication skills. M will serve this purpose by providing travelers with opportunities for experiential learning and training that cannot otherwise be achieved by standard means or technology.

B is designed primarily for children and young adults to travel within their own country. The goals of B are to allow participants to:

- Experience travel to places of interest in their own country that they have never before seen or experienced
- Reinforce school concepts and subjects
- Create relationships with peers as well as with adult chaperones; and
- Where possible, engage in volunteer work.

D is designed primarily for young adults worldwide who have completed a Technical Vocational Program, Senior Secondary School, or High School to travel outside the borders of their own country. The goals of D are to allow participants to:

- Conduct pre-trip research
- Experience travel to places of interest outside their own country where they have not traveled before and gain insights into different environments and cultures
- Build confidence and provide leadership opportunities
- Practice being an ambassador or representative of their native countries in different countries
- Consider the global world as they plan for their futures
- Create relationships with peers as well as with adult chaperones; and
- Where possible, engage in volunteer work.

You will take several factors into consideration to determine how many trips under each program will take place and if there is not enough funds the trips will be suspended until the following year or until funds become available. During any fiscal year no more than x dollars will be used to fund trips under M unless specifically approved by your board.

The budget for a trip under B will range from approximately \$100-\$1000 per child, depending on the length of the trip and the destination. During any given fiscal year, no more than w trips, with a total of up to z children, youth, and chaperones, will be conducted unless otherwise approved by your board.

The budget for a trip under D will average approximately \$3000 per young adult, but will range from \$1000 to \$10,000, depending on the length of the trip and the destination. During any given fiscal year, no more than w trips, with a total of up to y students will be conducted unless otherwise approved by your board.

The destinations for the trips under M will be determined by reference to factors including country restrictions, limitations and requirements to travel destination, cost, experiences offered, and availability of the lodging, transport, and other logistics. An ideal destination for a trip under M would include attributes such as safety, accommodations for youth education, training, orientation, and instruction, unique opportunities to see, experience and learn about attractions and activities, close proximity of lodging, meals and complexity of logistics and opportunity to learn about an area of interest or prospective future careers, especially for the participants in D

You will periodically distribute announcements regarding each trip to various children's homes, orphanages, youth organizations, schools, and churches, (the nominating organizations). M will be publicized to the nominating organizations in countries where there are extremely disadvantaged children and young adults who would not normally have the ability to travel. Your board will ensure that the details about each trip are properly publicized to the nominating organizations well in advance.

Each trip will have a specific itinerary of dates and times of departure, return and locations to be visited. Each trip will also have established goals and objectives individualized for the trip. Your board will monitor M closely to ensure that the lessons learned from previous trips are applied in ways that keep the participants safe, the experiences meaningful, and the travel a positive life changing event.

You plan to send one or more board members, mentors from nominating organizations, or professional mentors retained by you to supervise and coordinate each trip. Mentors will be responsible for monitoring the trip. Mentors retained by you must meet the following eligibility criteria :

- Be a minimum of 20 years of age.
- Have successfully completed a University degree or certificate program or a Technical Vocational Program, or have the expertise or level of experience that is needed on the trip.
- Have demonstrated professionalism and respect for others from other countries, cultures, and different backgrounds.
- Has a strong Christian faith as demonstrated by a commitment to Christian values.
- Have been recommended by your board or a nominating organization

It is expected that you will cover the Mentors' travel and personal expenses and, if necessary, you will pay a modest stipend.

To be eligible for B which is designed principally for primary and secondary school students worldwide, the prospective candidate must meet the following eligibility criteria:

- Be a minimum of five years of age.
- Be currently enrolled in primary, junior secondary or senior secondary school.
- Have demonstrated good citizenship and respect for adults and authority.
- Have been recommended by a nominating organization

To be eligible for D which is designed to reward hard working young adults who have attained a specific level of academic performance that has taken a decade or more to achieve, the prospective candidate must meet the following eligibility criteria:

- Be a minimum of 17 years of age.
- Have successfully completed a qualified Technical Vocational Training or Instruction program, or successfully completed Senior Secondary School or High School.
- Have demonstrated good citizenship and respect for adults and authority.
- Have been recommended by a Nominating Organization.
- Have complied with the Child Rescue Centre Community Service specifications.

Each nominating organization will be requested to submit applications nominating a group of eligible children or young adults and suitable chaperones. Further, each nominee will submit an application requesting consideration for the trip.

Your board will serve as the selection committee and will review the applications submitted by the nominating organization and individual nominees and will select grantees based upon the eligibility criteria set forth above. The grantees will be selected based on academic performance, citizenship, community service, and essay submission.

Following each trip, the participants will be required to submit narrative reports about their experiences and the lessons they learned in their travels. Mentors will also be responsible for preparing reports including lessons learned, impressions, photographs, and a log of expenses incurred.

If you discover that grant funds have been misappropriated, all reasonable steps will be taken to restore any diverted funds or to ensure that any unused portion is either returned or used for the intended purpose of the grant. Pending the results of any investigation, further payments in fulfillment of the grant will be withheld.

You will review your case histories at the end of each year to determine if the goals and objectives of M were accomplished. Your board will attempt to make a quantitative and qualitative assessment of the "learning return", "training value", and support provided by the funds that were expended in B and D.

Disqualified persons with respect to you will be ineligible to receive an award under either B or D. Further none of your board members are in a position to derive a private benefit, directly or indirectly, if certain potential grantees are selected over others to participate in B or D.

You will retain adequate records pertaining to the selection of the grantees and the uses of the grant funds. Specifically, you will maintain detailed case histories including the applications submitted by the grantees and the Nominating Organizations, the amount of the grant, and the criteria relied upon by your board in selecting grantees. Further the case histories will include the reports submitted by grantees and Mentors as well as expense reports and receipts. Finally the case histories will record confirmation that the grantees bear no relationship to any of your disqualified persons. You expect to maintain these records for a period of at least three years after the conclusion of the trip taken by the grantee.

The procedures set forth in your proposed programs will comply with federal guidelines, procedures and instructions on checking and confirming that foreign organizations and foreign individuals are not involved in terrorist activities. Specifically, you will request the name of every group leader and company to who disbursements will be made.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

We have not considered whether grants made under your procedures are excludable from the gross income of recipients under section 117(a) of the Code.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois G. Lerner  
Director, Exempt Organizations

Enclosures:  
Notice 437  
A copy of the redacted letter