

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:

Contact telephone number

Date: January 4, 2018

LEGEND

UIL: 4945.04-04

X= Name
Y= Quantity
z dollars = Amount

Dear :

You asked for advance approval of your educational grant procedures under Internal Revenue Code Section 4945(g)(3). This approval is required because you are a private foundation that is exempt from federal income tax.

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 Code Section 4945(g)(3). As a result, expenditures you make under these procedures won't be taxable. The effective date of this approval is March 3, 20 .

Description of your request

Your letter indicates that you will operate an educational grant program called X. The purpose of X is to encourage thought leaders and storytellers working in photography to produce work that illustrates or brings about positive social change. The awards will be used by the recipients to build on a work or project they have already created with the goal of achieving a higher level of excellence in visual storytelling, innovation in distribution and measurable social impact. Examples of projects you will fund include projects addressing underreported social and global issues such as work place discrimination, climate change and inequalities in the criminal justice system.

You will have partners who will cosponsor each award as well as be involved in distributing the contents of the recipient's projects and providing guidance and expertise to the recipient. Each recipient will work with one of the partners throughout the duration of the award period.

In general, the number and the amount of the awards will be determined by your budget and ability to find willing partners for distribution support. In the first year, you anticipate there will be Y awards of z dollars each. The awards will generally provide funding for one year for the recipients to pursue their projects. They are not renewable but may be extended or shortened depending on whether the circumstances warrant.

X is open to working professionals of any age and from any country who have demonstrated excellence in working with photography, visual storytelling and a commitment to influencing social change. Your intent is to attract a wide range of talent and diverse representation of individuals that represent different geographical areas, demographics and are involved with social justice issues. Applicants must be working independently; therefore, business entities and institutions will not be eligible. Relatives of members of the selection committee, or of your officers, directors, or substantial contributors are not eligible for awards made under X.

Potential applicants can find information on X on your website, through social media and photography as well as arts media. You also encourage candidates to contact you directly regarding X.

To find well qualified candidates, you will form a nominating committee consisting of experts and individuals from diverse backgrounds who will nominate worthy individuals. Furthermore, you will draw qualified candidates through an open call.

All candidates must submit a completed application including work samples, professional references, a written proposal describing their project's scope, and potential ideas for partnerships and distribution channels that best fit the proposal. Candidates must also explain how they will utilize the resources and available support you will provide to them that will help ensure a defined outcome. Applicants are not required to limit or tailor their proposals to the subject areas established by your partners; however, applicants must illustrate an awareness that will demonstrate that their projects are suited to the goals of X. In addition, applicants can direct their application towards one of your partners, but all applicants will be considered equally for each partnership.

All applications will be reviewed and shortlisted by the selection committee, whose members you will choose, based on seniority and recognition within the industry, a strong desire to be involved in the process, and geographic diversity. Selection committee members will be drawn from the nominating committee to replace any committee members, as needed. For the final selection, the selection committee will be joined by your partners who will select the recipients. Your selection committee will select individuals with the best proven track record for using their work for positive social awareness, and who have demonstrated successful partnerships with media, NGOs, art institutions, and/or governmental institutions. Each recipient will also have demonstrated creative leadership through current work and show their potential for leveraging social awareness and engagement.

In addition, the committee will ensure that the recipients have shown that they understand the value of employing other creative techniques and channels to enhance the impact of their projects.

After the recipients are identified, you will notify them and will require them to sign an agreement specifying the terms of the award. At this time, you will connect each recipient with one of your partners who are co-sponsoring the fellowship. In addition, you will give the recipients direction on social media responsibilities, distribution goals, and publicity.

You will require the recipients to regularly report to their partner who will be involved in distributing the contents of the projects. The recipients are also required to attend a series of events during the award period. After the award period ends there will be a celebration and speaking engagement to promote the projects, provide live community engagement and raise awareness for the social issues addressed by the projects. The recipients will also be required to deliver museum quality works upon completion of the projects for archival storage.

Once the recipients have been selected, they will receive one-half of the award. Before disbursing additional funds, you will periodically conduct a review of the project against the stated goals and if this is satisfactory, you will disburse another portion of the award.

During the award period, you will require the recipients to adhere to the highest ethical standards in the preparation and presentation of any work produced under your name. If at any time you determine the terms of the awards have been violated no further payments will be made and you will attempt to recover any unspent funds. You also reserve the right to revoke the awards and reclaim all funds if a project is found to deliberately present misleading information or if anyone associated with the project has been coerced into participation or if financial inducements have been offered above reasonable expenses.

You will check the OFAC List of Specially Designated Nationals and Blocked Persons for names of individuals and entities with whom you are dealing to determine if they are included on the list. You will comply with all statutes, executive orders, and regulations that restrict or prohibit persons from engaging in transactions and dealings with designated countries, entities, or individuals, or otherwise engaging in activities in violation of economic sanctions administered by OFAC. If necessary, you will acquire from OFAC the appropriate license and registration.

You represent that you will complete the following: (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversion of funds from their intended purposes, (3) take all reasonable and appropriate steps to recover the diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and (4) 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 represent that you will maintain the following: (1) all records relating to individual grants including information obtained to evaluate grantees, (2) identify whether a grantee is a disqualified person, (3) establish the amount and purpose of each grant, and (4) establish that you undertook the supervision and investigation of grants described above.

Basis for our determination

The law imposes certain excise taxes on the taxable expenditures of private foundations (Code Section 4945). 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 of the following requirements of Code 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 Section 117(a) and is to be used for study at an educational organization described in Section 170(b)(1)(A)(ii); or
 - A prize or award subject to the provisions of 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 Regulations 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 covers only 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 precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes in your program to the Cincinnati Office of Exempt Organizations at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

- You cannot make 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 must further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with Code 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'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 any questions, please contact the person listed at the top of this letter.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements