

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:

LEGEND

UIL: 4945.04-04

B= Name
C= Metropolitan Area
D= Number

x 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.

Description of your request

Your letter indicates that you will operate an educational grant program called B.

Your purpose consists of developing and producing documentary films that serve to educate audiences of all ages on the visual and performing arts as well as touch on social issues.

The purpose of B is to provide grants to up and coming filmmakers in C who identify as female or LGBTQ and who are actively engaged in producing a film or video project that focuses on art or artists. The term of the grant is intended to span one year, but a shorter timeframe is negotiable. In addition to the grants, you will provide consultations and mentoring opportunities to the recipients, as well as provide opportunities to screen the recipient's project and participate in a "talk back" with Selection Committee members.

They may also be provided with spotlight features on your website, newsletter, and social media.

Under B, you will award one or more grants for x dollars which much be spent by the recipient only on the production of the film project itself as opposed to marketing or promotion of the project. Furthermore, the number and /or dollar amount of the awards may vary from time to time based on factors including your available resources and the number and quality of the submissions. Awards under B will not be renewable. However, it is possible, though unlikely, that an individual may be selected as a repeat grantee on the basis of a new application and project.

In order to promote B, you will post information on your website which will include the eligibility and selection criteria, the application deadlines and other pertinent details regarding the program. You will also promote B on your various social media platforms and in your newsletters as well as through word-of-mouth and other means to your vast network of colleagues and contacts in colleges and university film programs. You further anticipate that B's Selection Committee will help promote B through their various networks, including through organizations that work with or support women or LGBTQ people in film or the arts.

To be eligible to apply for B, an applicant must be an "up-and-coming" filmmaker, which means that they are not a well-established director with the resources to produce the project. Furthermore, applicants must:

- Be a resident of C and at least eighteen years old;
- Identify as female or LGBTQ;
- Have a background and prior training in filmmaking;
- Be actively engaged in producing a film or video project that focuses on art or artists in some manner.

Interested film makers must submit an application package by a specific deadline consisting of materials including a director's statement; a "logline" or synopsis for the project; a longer project description; a description of the current stage of the film; a description of how they intend to use the grant funds; and samples of their previous works. Applicants must also describe their prior projects, including prior exhibitions and/or distribution channels of their work, inclusion of their projects in major film festivals, prior awards or recognition received, and similar information.

All application packages will be reviewed by your staff in order to narrow the list of applicants to determine D finalists based on their satisfaction of B's eligibility requirements as well as the relevant artistic merit, and feasibility of the project in terms of scope and completion. Your staff will also determine whether an applicant qualifies as an "up and-coming" filmmaker by, among other things, reviewing the applicant's prior filmmaking accomplishments to determine that the applicant, for example, does not have multiple feature film projects completed, does not have significant prior partnerships with producers or distributors, has not previously been included in major film festivals or

received similar awards or accolades, has not had broad exhibition or distribution across multiple platforms, and has not had significant critical or commercial success.

Your staff will then forward the finalists' application submissions to the Selection Committee whose members are appointed by your Board of Directors. Members will consist of one or more filmmakers, artists, curators, or other individuals with relevant backgrounds and experience. The members will select the recipient based on their satisfaction of B's eligibility requirements as well as the relevant artistic merit, and feasibility of the project in terms of scope and completion. Once selected, they will forward the name of the recipient to your Board of Directors, who will have final decision-making authority. In addition, you may, but will not be required to, take into account racial or ethnic diversity in the selection of grantees; provided, however, that no individual will be denied consideration or selection because of race, religion, nationality, or ethnic origin.

In addition to their duties of reviewing applications and recommending grantees for approval by the Board of Directors, members of the Selection Committee will also be required to participate in at least one feedback session with grantees.

To monitor the grant, your staff will periodically check-in with the grantees to ensure that the project is progressing and that the award funds are being appropriately spent. The grantee will also have at least two opportunities during the term of the award, which typically will be one year, to screen an in-progress version of the project to the Selection Committee in order to solicit feedback. In addition, at the end of the grant period, each recipient must exhibit their project to your staff and the Selection Committee as well as complete a report detailing how the funds were used.

In the event that the terms of the award are violated (e.g., because award funds were not used in furtherance of producing the project), you will seek to recoup any unspent award funds and will terminate its relationship with the recipient.

Your board will obtain all of the records of the Selection Committee, which will include all of the information used to evaluate nominees. You will retain records identifying the selected recipients, their contact information, and the amount of each award, and will confirm that none of the recipients is an individual who is a disqualified person with respect to you within the meaning of Section 4946(a)(1) of the Code. Members of the Selection Committee and their family members also will be ineligible to receive an award under B during the term(s) of their service.

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, and (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 representatives 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