



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

Date:
04/01/2025
Taxpayer ID number:

Person to contact:

Release Number: 202526014
Release Date: 6/27/2025

LEGEND

B = Area
C = Type
D = Field
E = Number
f dollars = Amount

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 for individuals to fund travel to, and attendance at, academic and scientific conferences. The purpose of your program is to award grants to individuals with scientific expertise in the preservation, protection, and restoration of the B for travel to scientific conferences and symposium relevant to their field of expertise.

To apply for a grant, the applicant must submit a proposal for a specific charitable and educational project or activity. The applicant must also provide recommendations from your charitable and educational partners who can attest to the individual's work, capabilities, and promise. They must demonstrate academic or professional aptitude in the area of charitable and educational work to which the project applies. Additionally, they must demonstrate a history of charitable and educational work, or, in the alternative, a statement on how receiving the

grant would support charitable and educational work they have otherwise been unable to perform.

You will rate the applicants based on:

- The strength of their proposal, including the extent to which the proposal outlines specific charitable and educational objectives and anticipated outcomes in furtherance of objectives of the candidate and you.
- Their past experiences in the area of charitable and educational interest.
- Examples of academic or professional work in the area of charitable and educational work to which the project applies.

You publicize your grant program on your website and through your network of charity and scientific partners and collaborators.

Your grantees are selected by an advisory committee composed of academic, scientific, and professional experts in fields related to C health and ecologically responsible D. Your selection committee is composed of your trustees and one or more individuals affiliated with charities supported by you or otherwise operating in areas consistent with your mission. Your trustees shall determine the composition of the advisory committee from time to time based on recommendations from your charitable and educational partners as well as other trusted community leaders.

The advisory committee will generally be academic and scientific experts in fields relevant to your charitable and educational purposes and will not receive any compensation for their service as such. Relatives of members of the selection committee, or of your officers or directors are not eligible for awards.

You intend to award E grants per year in an amount of up to f dollars. Your grant recipients must maintain eligibility based on the criteria for which the grantee was selected and must demonstrate compliance with the terms of the grant, to the extent specified in the grant award.

You anticipate that you will pay the funds directly to the grant recipient to allow the individual to register for the applicable program. You will ensure that funds are used for the exempt purposes consistent with the purpose of the award by requiring each grantee to submit reports describing how the grant funds were used.

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.

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 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
Redacted Letter 4792