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

Date:
05/02/2025

Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202530024
Release Date: 7/25/2025

LEGEND
B = Fellowship Program
C= Fellowship Recipients
t dollars = Fellowship award amount
u dollars = Fellowship award amount
v = Number of recipients
w = Number of recipients
x dollars = Grant award amount
y dollars = Grant award amount
z = Number of awards

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 to promote education and advancement of science through research. Under your individual grant program, there will be a fellowship award component and a travel award component. You will award these grants to early-career scientists to improve and enhance their scientific and educational capabilities and skills, while advancing your scientific research objectives. All such selections of grant recipients will be required to be objective and nondiscriminatory and will be based on criteria reasonably related to the purposes of the grants, including prior research, and letters of reference. No director, officer, employee, or substantial contributor of yours or member of the selection committee, or family member of the foregoing may receive a grant from you. Moreover, grants will not be made for the benefit of a particular individual if any director, officer, employee, substantial contributor, selection committee member, or any family member of the foregoing, who stands in a position to derive substantial private benefit, directly or indirectly, from such grant. You do not make educational loans.

You will distribute grants to existing IRC Section 501(c)(3) exempt educational organizations and research institutions. These grants are earmarked for research to be performed by specifically-named individuals.

Your B awards grant funds to the grantee institutions to establish research fellowships . Researchers eligible to become C are early-career scientists who are working in the relevant scientific fields that you support.
Your travel awards program involves awarding modest travel grants to recipients, to help them attend educational and scientific workshops, meetings, or conferences hosted by you, or in connection with research supported by you.

To be eligible for your fellowship grants, individuals must be early-career scientists, who received a PhD or equivalent doctoral-level graduate degree in specifically listed sciences or related disciplines within six (6) years of applying. Eligible researchers will include both US citizens as well as non-US citizens. You will confirm that any non-US citizen applicant is not listed in any OFAC Sanctions Lists. The amount of your B will vary from year to year and academic institution to institution. You anticipate that the awards initially will be between t dollars and u dollars per year and will cover the recipient's annual stipend at the academic institution, research funds, a limited relocation allowance, and a portion of the recipient's employee benefits.

You set the conditions of the program but will work with other entities that provide logistical assistance. You consider that the host academic institution will participate in sharing the costs of employee benefits for the award recipient, who is expected to be employed by the host institution during the period of the award, as well as any indirect costs incurred by the host institution. You determine the number of yearly B awards based on the qualifications of the applicants, the number of educational and research institutions willing to host them, and the financial resources available for the program. You anticipate that between v - w recipients will be selected for any given year, though the precise number will be determined based on the above criteria.

Your typical award will be v years in length. To continue to be eligible to receive subsequent installment payments of the award, recipients must continue to be working at the selected host academic institution. Additionally, recipients must, together with the host institution, deliver annual written reports to you, regarding the progress made toward achieving the goals of the research and confirming use of the award funds.

You expect to partner with one or more 501(c)(3) public charity research institutions that will help promote the availability of C on its website. You, along with these research institutions and affiliated entities, will publicize and promote your program on their websites and other on-line platforms. These research institutions are expected to be responsible for establishing a selection committee made up of qualified members of the scientific community, who would review and rank the award candidates, ultimately subject to your final selection.

Candidates will be evaluated on scientific merit. Representatives of your organization will have the opportunity to attend the selection committee meetings at which candidates are evaluated and selected for ranking, including any candidate interviews. The research institutions will recruit qualified members of the scientific community to serve on the selection committee and deliver their rankings and selection recommendations to you for final selections.

Your final selections will be made by your Board of Directors based on recommendations from your President and Senior Program Officer. You expect selections to be based on rankings, putting the highest ranked individuals first. The candidates will also have a preferred host institution. Selections are also dependent upon the intended host institution's willingness to take on the fellowship, cover indirect costs, and share the costs of employee benefits, if needed. You will also consider the number of candidates placed at the same host institution, which may be limited. This may result in selecting a lower-ranked candidate so not to exceed the limit per host institution.

Once you have selected the recipient, you will contact each educational and research institution to confirm that the institution is willing to cost-share and administer the B. If so, you will enter into grant agreements with such host institutions and the recipient, outlining the terms and conditions of the award.

You expect that the grants will be paid to the designated educational or research institution serving as the host institution and will be earmarked specifically for the recipient's stipend, benefits, relocation expenses, and research funds, to ensure funds are not misspent. If you determine that any part of a grant had been used for improper purposes, or if a report is not submitted, you would take all reasonable and appropriate steps to investigate the situation and recover diverted funds or to the restoration of diverted funds, and you would not make no further payments to the individual or individuals involved.

You intend to host or co-host occasional scientific educational meetings and workshops that will be open to current and/or prior award recipients. You anticipate that you may host such scientific and educational gatherings as often as annually, but the actual number of such workshops may be fewer. Additionally, you may provide travel grants to allow recipients to attend or present at scientific conferences not hosted by you. The eligible researchers will include both US citizens as well as non-US citizens. You will confirm that all non-US citizen applicants are not listed in any OFAC Sanctions Lists.

You will evaluate submitted requests considering whether the topic(s) relate to the candidate's research and that proposed costs are in line with similar conferences. Fulfilling the request will depend on availability of funds, number of requests in a year, if the candidate is presenting and if the candidate has already received one or more of your travel grants.

You only support current recipients to attend scientific conferences that you do not host. You will consider the availability of funds, number of requests in a year, if the fellow is presenting and if the fellow has already received one or more of your travel grants when fulfilling the request. These grant awards may range between x dollars to y dollars and cover air/ground transportation, lodging, and meals during the trip. You may grant up to z awards in any given year. The actual number of awards may vary depending on the number of candidates and the resources reserved for the award.

Once you select award recipients you will contact the institutions that the recipient identified as their preferred host institution to determine if they are willing to cost- share and administer the award. If so, you will enter into grant agreements with such host institution and the selected candidate that outlines the terms and conditions of the award. The point of contact at the host institution will be responsible for coordinating communication with you about the grant agreement, disbursement, and submission of an annual report describing the research progress.

The participants do not assist you in planning, evaluating or developing projects/areas of your programs, except that award recipients who attend a program hosted by you, may have to complete a post-program survey.

The travel award will be distributed to the host institution. Any excess funds will either be applied to the recipient's research or returned to you. The award will not be renewable, but an individual can receive up to v different awards.

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.
- The effective date of our approval is April 19, 2024, 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.

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