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

Date:
05/14/2025
Taxpayer ID number:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202532019
Release Date: 8/8/2025

LEGEND
B = Program
C = Syndrome
D = Number
e dollars = Dollars

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 B, a grant program under Section 4945(g)(3), to provide financial assistance to women and girls who have been diagnosed with C by awarding grants to offset the cost of attending recreational, educational, and/or social enrichment programs. The purpose of your grant program is to positively impact the lives of young women and girls who have been diagnosed with C. Your organization provides women and girls with C greater access to supportive environments and more opportunities to foster a sense of community.

You plan to publicize the availability of grants through multiple channels to ensure there is sufficient opportunity for broad participation in the B. You intend to partner with schools, camps, and other organizations in the operation of the B. You will rely on partner organizations to identify eligible individuals and submit recommendations to you to consider for selection. Your organization is actively developing relationships with organizations that offer programs designed to support females diagnosed with C and plans to partner with such organizations to maximize the reach of the B.

To be eligible for a grant, the applicants must:

- Be assigned female at birth.
- Have been diagnosed with C.

Partner organizations will identify appropriate candidates to receive grants under the B and submit recommendations. Your selection committee will rate recommended candidates based on the following criteria:

- Degree to which the applicant is impacted by C in her daily life and how significantly participating in a particular program would improve her circumstances.
- Financial need as demonstrated by a statement of need provided by the applicant.
- Quality of recommendation from participating organization.
- Preference will be given to individuals who have never attended a camp, enrichment program, or other supportive experience designed to benefit females with C.
- Preference may also be given to an applicant requesting support to return for an additional session at a program they previously had a positive experience.

Your selection committee will be made up of your Board of Directors. Your Board in its sole discretion, may add or remove members of the Selection Committee and will replace members upon their resignation, removal, or inability to serve. Your new members of the Selection Committee will be individuals who are determined by the Board to possess the requisite knowledge, experience, commitment, and abilities to serve on the Selection Committee. Each member of the Selection Committee is obligated to disclose the existence of a relationship that he or she has with any potential grantee under consideration. Your Selection Committee members will refrain from participation in the award process if such member could derive, directly or indirectly, a tangible private benefit from any potential grantee's selection over that of other potential grantees. Relative of members of the selection committee, or of your officers, directors, or substantial contributors, will not be eligible for grants.

You intend to award up to D grants of up to e dollars per school year. Your exact amount of each grant will be determined based upon the cost of the program the grant recipient will be attending and your annual budget.

You plan to issue payment, on the grantee's behalf, to the camp, school, or other organization operating the program the grant recipient will be attending. If a grant recipient fails to enroll in the program described in the grantee's application, such institution will be required to return all unused grant funds unless alternative arrangements are agreed to in writing. In cases where grant funds are paid directly to a grant recipient, you will require such grant recipient to provide an official invoice for the program they will be attending and supporting documentation substantiating the use of the grant funds, such as a receipt or other proof of payment.

Upon the completion of the selected program, you will require a final report describing the grantee's accomplishments with respect to the grant and accounting for all funds received under such grant. Should you fail to receive any of the required reports regarding the use of the grant funds, or where such reports, or other information, indicates that all or any part of a grant is not being used in furtherance of the grant's intended purposes, you will withhold further payments, to the extent possible, during the course of you investigation of the jeopardized grant.

In the event of a misuse of funds, you will determine if the situation is a mistake and whether it can be corrected. If you discover that grant funds have been misappropriated, all reasonable steps will be taken to recover any diverted funds or to ensure that any unused portion is either returned or used for the intended purpose of the grant, as required by Section 53.4945-4(c)(4) of the Treasury Regulations. Further, in any case where you have determined that grant funds have been misused, you will refrain from making additional disbursements and take further appropriate action as necessary.

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