



**Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities**

Date:  
07/01/2025

Taxpayer ID number:

Person to contact:

Release Number: 202539018

Release Date: 9/26/2025

**LEGEND**

P = Fellowship

Q = Number

R = Publication

x dollars = dollar range

y dollars = dollar range

z dollars = dollar range

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 called P to further your exempt purposes of identifying, advocating for, and investing in high-quality, innovative programs that unite multiple generations for the enrichment of communities and the elimination of age segregation and ageism. Through P, you will award annual grants, consisting of both seed money for program support and a stipend, to emerging practitioners in the field of intergenerational work to provide them with financial resources and educational networking opportunities to propel new ideas and perspectives in intergenerational connection, collaboration, and action forward into the public thought and sphere.

Under P, you will award up to Q grants per year. Each award will be for the total amount of x dollars, consisting of a y dollar award for program support and a z dollar award for the stipend. Program support awards should be used for execution of new, well-defined intergenerational projects, research, technology, or other similar initiatives, and ideally will not include overhead costs. Stipends may be used however your recipients wish. You will pay funds directly to grant recipients or the organizations in which they are employed.

In addition to your grant funds, you will also provide your recipients with a year-long fellowship program, consisting of a convening event and then regularly scheduled online meetings so fellows share their progress, learn from experts, and learn from each other, too. Meeting content and frequency will be tailored and co-created with each fellowship cohort. Each recipient will also be asked to contribute a written work to your blog, R. Your cohorts are terminal, and participants may not extend their fellowship beyond one year.

To publicize P, you will use press releases, your website, emails, social media, and word of mouth through your philanthropic and nonprofit partners.

To be eligible for P, applicants must be working to innovate within the field of intergenerational connection in the United States. Applicants may be affiliated with federally exempt organizations recognized under IRC Section 501(c)(3), as well as students and those with a fiscal sponsor. Your grants are intended for individuals and not to serve as grantmaking programs for nonprofits; therefore, all proposals you receive must be novel and both envisioned and executed by an individual, although the individual may be part of a nonprofit organization where staff will also apply and execute the proposed initiative. In addition, co-leadership teams may also be eligible; however, each team must select one person as the primary contact, and the funds awarded through P remain the same, whether you award your grants to individuals or co-leadership teams.

Eligible applicants must complete an application which includes a detailed proposal with evidence of feasibility and letters of recommendations. All proposals should be submitted with goal timelines achievable within a year and within the budget of your program support award, x dollars. You are open to proposals for novel projects, research, technology, or other innovations to connect different generations in new ways. You will not support existing programs, research, technology, or other forms of innovation, unless the proposal submitted to you involves new and innovative aspects of such existing initiatives.

Applicants must submit all application materials and documents through your online platform. Applicants will have the option to submit optional supplementary materials that may not fit elsewhere in your application, such as links to previous work or other relevant experience, as well as the ability to upload similar relevant materials to demonstrate that the applicant can accomplish the proposal and has the necessary support system to successfully complete it.

Recipients of P will be chosen by a selection committee comprised of your senior staff and board members. This includes your CEO, the Senior Director of Program, Director of External Relations, your founder, and your board president. Relatives of members of the selection/nominating committees, your officers, directors, or other disqualified persons are not eligible for awards under P.

The selection committee will identify and award grants to individuals who:

- Show promise in advancing the field of intergenerational solutions to society's challenges
- Have a background in the field of intergenerational connection and work
- Have community relationships necessary to successfully implement their proposals

All proposals must be executable by recipients; as a thought partner and connector, you will provide support to your recipients, but your ability to act as a research partner or in other external capacities to support their proposals beyond your funding and educational fellowship program is very limited.

Recipients must stay in communication with you throughout the fellowship and provide you with regular updates on their progress. If recipients are unable to communicate regularly with you or make progress on the project, you will pursue the return of the grant funds on a case-by-case basis. You expect your grant recipients to attend regular meetings to share their progress and submit a final report describing their achievements.

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 January 22, 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.

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