

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

**Number: 200912034
Release Date: 3/20/2009**

Date: December 22, 2008

Employer Identification Number:

Contact Person - ID Number:

Contact Telephone Number:

UIL 4945.4-04

LEGEND

B=

C=

D =

E =

w =

x =

y =

Dear :

We have considered your request for advance approval of your grant-making program under section 4945 (g)(1) of the Internal Revenue Code, dated March 17, 2008.

Our records indicate that B was recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that it was classified under section 509(a)(1) and 170(b)(1)(A)(iii) of the Code, and was later reclassified as a private foundation as defined in section 509(a).

Your letter indicates that B will conduct three grant-making programs called C including w, x, and y.

The purpose of C is to award scholarships to qualified applicants to enable the recipients to complete an undergraduate or graduate education in nursing or a medical/clinical program at an accredited college or graduate school of their choice.

Scholarships are available for the following programs:

For w:

- Acupuncture,
- Chiropractic,
- Dental,
- Emergency Medical Technician/Paramedic,
- Medical Lab,
- Medicine,
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- Occupational Therapy,
- Optometry,
- Pharmacy,
- Phlebotomy,
- Physical Therapy,
- Physician Assistant,
- Podiatry,
- Psychology (Masters and above),
- Public Health (Masters and above),
- Radiology,
- Registered Dietician/Nutritionist,
- Respiratory Therapy,
- Social Work (BSW and above),
- Speech, and
- Surgical Technology.

For x:

- Certified Nursing Assistant (CNA),
- Licensed Practical Nurse (LPN),
- Registered Nurse (RN),
- Baccalaureate of Science in Nursing (BSN),
- Certified Nurse Midwife (CNM),
- Masters of Science in Nursing (MSN),
- Nurse Practitioner Certification (NPC), and
- Other related nursing specialty certifications.

For y:

- High school scholarships will be provided enabling each area high school to select one student who, upon graduation, intends to pursue higher education in a health related field.

To be eligible for w or x, the applicants must:

- Be a resident or work at least 15 hours per week on a regular basis in one of the towns in D;
- Be enrolled in a nursing or formal medical or clinical program at an accredited institution.
- Complete a confidential scholarship application form and submit all required attachments to C, and
- Complete a Federal Financial Aid Form.

B publicizes w and x through several means, including distribution of announcement letters, posters and applications to high school guidance departments, career specialists, academic financial aid offices, college/university deans of applicable academic programs, graduate school administrators, libraries, boards of health, local hospitals and health and human service agencies in D; information dissemination on numerous including ; and presentation on and distribution of material in the various health profession awareness events, sponsored by B for high school soundest in D. This program is also highlighted in the B's newsletters and annual report. B will also place applications in shopping malls.

The recipients of w and x are selected based on financial need, academic performance, character and demonstrated motivation to obtain a formal education in a nursing, medical or clinical profession.

Members of the Selection Committee for w and x are appointed by the chair of the board of trustees. Out of five members, two are from E.

Grants for w and x are awarded for tuition fees only up to a maximum of _____ per academic year. B awards an average of 20 of w and 29 of x annually.

Applicants must reapply on an annual basis without limitation as long as they meet the eligibility requirements. Payments are made directly to the academic institutions.

To be eligible for y, applicants must be:

- A high school senior,
- A legal resident in one of the towns in D, and
- Entering an accredited academic institution (2-year, 4-year or technical school) within six months of graduation, with plans to pursue a career in a health profession.

B publicizes the availability of y through announcement letters sent to directors of guidance and career specialists at each of the participating high schools in D; on _____; and through the health profession awareness events that B sponsors for high school students in D.

To apply for y, applicants must:

- Contact their school guidance counselor regarding their interest in y,
- Be nominated by a designated representative of his/her high school, and
- Follow the school's application process.

The selection of the grantees will be made by the high school administrators, guidance counselors and/or career specialists as designated by the high school, and submitted to the Board of Trustees of B for approval, or by the scholarship Committee of the B. High schools must establish a method to fairly consider and select a student for the scholarship.

The high school principal/designee must sign an affidavit stating they have fully read and understand the criteria for the award set forth by B, and have conducted an objective and non-discriminatory process to determine the selection of the individual. B will have periodic telephone conversations with the principal/designee to inquire as to the process, and to answer questions about y.

The recipients of y are selected based on financial need and academic performance. There will be one award of _____ available to a graduating senior in each of _____ high schools in D.

Whether or not an applicant for y is awarded, the applicant can apply for w or x though B after an applicant enters college.

There are two conditions required for receiving any of B's scholarships:

- The scholarship will be used only for tuition or fees required for the enrollment or attendance of the students at a qualifying institution within the scope of IRC §117(b)(2).
- No part of the scholarship can be used as payment for teaching, research, books, supplies and equipment required for courses of instruction, room or board, or other services required by the scholarship recipient.

No awards will be made to any member of B's Board of Trustees, Committees, staff or any other disqualified person as defined in IRC 4946 (a) with respect to B or for a purpose that is inconsistent with the purposes described in IRC 170(c)(2)(B).

B's officers will notify applicants of approval or denial of the scholarship after grantees are selected.

Scholarships will be paid by B directly to the educational institutions. Each of the institutions must agree in writing to use the grant funds to defray the scholarship recipient's tuition or to pay the funds (or portion thereof) to the recipients only if the recipient is enrolled at such educational institution and his or her standing at such institution is consistent with the purposes and conditions of the grant.

B must receive a progress report or certificate of completion for each grantee at least once each year. This report must include a summary of the use of the funds awarded, the grantee's courses taken and grades received (if any) in each academic period. This report must be verified by the educational institution. However, the report is not required if the scholarship will be used only for qualified tuition within the meaning of IRC 117(b)(2).

B will retain complete records in connection with all scholarship awards. These records shall include all information obtained by B to evaluate the qualifications of potential grantees, the identification of grantees (including any relationship of any grantees to B or a director, officer, Committee, staff, or Panel member of B), the purpose and amount of each scholarship, the terms of payment of each scholarship and any additional information the foundation secured as part of the scholarship administration process.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or

- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

In addition, we have determined that awards made under your procedures are excludable from the gross income of the recipients subject to the limitations provided by section 117 of the Code.

The effective date for the approval of B's grant procedure for C is October 1, 2007.

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(1) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements