



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

Date:
01/30/2025
Taxpayer ID number:
Person to contact:
Name:
ID number:
Telephone:

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LEGEND

UIL: 4945.04-04

B = Project
C = Program
D = Lab
J = Summit
L = Conference
K = condition
O = disease
f = number
m = number
n = number
h = number
s = number
v = number
w = number
y = \$ dollar amount
j = \$ dollar amount
q = \$ dollar amount

Dear :

You asked for advance approval of your educational grants 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 three grant making programs: B, C, and D.

Program: B

Through B, you will provide grants to universities and other research institutions that are designated to support the research efforts of individuals whose work furthers yours and B's mission of improving our understanding and treatment of O . Annually, B issues a request for application to solicit research proposals that further certain programmatic goals. Any eligible research team who is interested may apply for grant funding. Applications are then reviewed by you and B's governing board, who together make final grantee decisions. Presently, you issue all research grants awards to the research teams' respective institutions, though it is possible that you may make the research grants to individual researchers in the future. Such individual grants may include funding fellowships for post-docs in the field, grants for sponsored research for specific areas of focus in B's mission, and/or grants to stand-alone researchers with the specific expertise needed to achieve B's goals.

You invite researchers whose work is awarded the funding, individuals who represent universities and other research institutions whose research you are interested in funding, and other qualified researchers worldwide to attend one or more events for the purpose of presenting their ongoing and incipient research projects, collaborating with other scientists, clinicians, and researchers to identify new research needs, and to advise you on the most impactful research topic areas for future funding. The purpose of the events is educational and advisory, both to facilitate interdisciplinary collaboration among leading O scientists, as well as to advise you on how best to award future funding. You hope to host 5-10 events each year and have approximately f researchers, scientists, and clinicians at each event.

The amount of each grant will vary from attendee to attendee and event to event depending on factors including the costs of travel to and from the event location and the length of the event. You anticipate that your grants may range between y per individual, although amounts may vary within a reasonable amount. Grants will cover reasonable costs such as: (1) travel for the selected attendee to and from their place of residence to the location of the event, (2) lodging for the attendee at the hotel or other venue selected by you and (3) meals while traveling. You expect to make approximately m awards per year to support selected experts' attendance at the events.

You publicize the events on B's website. Depending on the event, promotional materials along with invitations to apply to attend may also be sent to a mailing list maintained by yours and B's governing board.

Those eligible to participate in the events include researchers whose work has been awarded B funding, individuals who represent universities and other research institutions whose research you are interested in funding in the future and other qualified researchers worldwide. There is no limit to the number of events an individual who has attended a prior event can attend, provided their research and expertise is relevant to the topic of the subsequent event.

Event attendees will generally be selected by yours and B's governing board based on their relevant expertise and their application to the topic of the event. For certain events, yours and B's governing board may also invite top O labs and research institutions to select representatives to attend the event on the institution's behalf. In such cases, you will not independently evaluate the selected attendees but will retain ultimate discretion over whether or not to pay for those individuals to attend the event. Finally, for certain events, you may invite interested researchers worldwide to submit an online application, disseminated through yours and B's governing board's network, that requests information on the applicant's institute affiliation, rank and title, expertise, and proposed contribution to the event. Each application submitted will be reviewed by B's governing board, who will then present their recommendations to you. You expect to receive approximately n applications annually. Because invitations to the events and grants awarded will be specific to a particular event, such grants will not be renewable.

With respect to supervision of B, you expect that the terms and conditions of your grants will be contained in a letter sent to the selected recipient. Written acceptance of such terms and conditions will be required. Rather than making cash payments to selected individuals, you will either pay for the selected grantees' travel, lodging, and meal expenses directly on such individuals' behalf or you will reimburse reasonable, approved, and substantiated expenses. You will require receipts that identify the amount, date, and character of each expense for which reimbursement is sought. Following each event, you will require grantees to furnish a report describing the use of the grant funds and describing the grantees' progress in achieving the purpose of the grant. You will condition reimbursement of approved and substantiated expenses on prior delivery of this report and the supporting receipts, and will not make future grants to individuals if they do not provide the required information. You will have in place, in the event that you determine that any part of a grant had been used for improper purposes, a review where you will take all reasonable and appropriate steps to investigate the situation and recover diverted funds or to ensure the restoration of diverted funds. In such cases, you would make no further payments to the individual or individuals involved. Lastly, you will maintain case histories showing recipients of grants, including names, addresses, purpose of awards, amount of each grant and manner of selection.

The selection committee of recipients for grants presented under B will consist of qualified members of B's governing board. The selections made by the governing board are presented to and subject to approval by you. All selections for grants presented under B will be objective and nondiscriminatory and shall be on the basis of criteria reasonably related to the purposes of the grants.

Notwithstanding the foregoing, no director, officer, substantial contributor to you, individual participating in the selection process or family member of the foregoing may receive a grant from you. Moreover, in no event will a grant be made for the benefit of a particular individual if any director, officer, substantial contributor, individual participating in the selection process, or family member of the foregoing stands in a position to derive a private benefit, directly or indirectly, from such grant.

Program: C

Through C, you will provide grants to individuals, specifically selected teens with K and a parent or guardian, for travel to attend what is typically a two-day educational event at a location determined by you. You host the event, arrange for _____ to attend, and present (if possible), and pay for the costs of reasonable travel expenses, lodging and meals for the selected teens and their parent or guardian. The purpose of the event is educational and specifically designed to improve and enhance the K-related scientific, therapeutic, experiential, and other capacities and understandings of those who attend.

You host anywhere between 1-3 events per year and have approximately h teen attendees (each with one parent or guardian) participate at each event.

The amount of each grant will vary depending on factors including the costs of travel to and from the event location. You anticipate that your grants may range between j. Grants will cover reasonable costs such as: (1) travel for the selected teen and their parent/guardian to and from their place of residence to the location of the event, (2) lodging for the teen and their parent/guardian at the hotel or other venue selected by you and (3) meals while traveling.

You publicize the event on your K _____ website and on your social media where parents of teens with K are invited to apply. Promotional materials along with invitations to apply are also sent to a mailing list maintained by you, consisting of all of the clinicians and parents of your network.

Those eligible to participate in the events include any child residing in the United States who is between the ages of 13 and 18 years old, and who has been diagnosed with K. Additionally, each participant must be accompanied by a parent or guardian.

You require candidates interested in C to submit an online application that seeks basic demographic information, age, and gender of the child with K, whether the child uses any communication aids or has any specific communication needs that require additional accessibility or accommodation. Additionally, you will request information regarding the child's interest in, comfort level with, and ability to interact with peers, follow instructions and participate in games and activities of daily living (managing meals, bathroom trips, etc.), and discuss their _____ difficulties. Finally, you will seek confirmation that the parent/guardian is interested in learning more about current K treatments, research studies and networking with other parents of children with K. Each application submitted will be reviewed by licensed _____ employed by you.

In conducting their review, the _____ will identify children who will be able to participate fully in the planned activities of C. Additionally, the _____ will endeavor (but do not guarantee) to have a roughly equal number of male and female participants. After reviewing the applications, the _____ will discuss the applications and make selections. While the _____ selections are presented to and subject to the approval of your board of directors, it is not anticipated that your board will make any changes to the selections made by the _____. You estimate the range of applications received to be m annually.

Because selections to attend the events and grants awarded will be specific to a particular event, such grants will not be renewable.

With respect to supervision of C, the terms and conditions of your grants will be contained in a letter sent to the selected teen's parent/guardian. Written acceptance of such terms and conditions will be required. Rather than making cash payments to the selected teen's parent/guardian, you will either pay selected teens' travel, lodging, and meal expenses directly on such individuals' behalf or you will reimburse reasonable, approved, and substantiated expenses. You will require receipts that identify the amount, date, and character of each expense for which reimbursement is sought. Following each event, you will require the selected teen's parent/guardian to furnish to you a report describing the use of the grant funds and describing the grantees' progress in achieving the purpose of the grant. You will condition reimbursement of approved and substantiated expenses on prior delivery of this report and the supporting receipts and will not make future grants to individuals if they do not provide the required information. You will have in place, in the event that you determine that any part of a grant had been used for improper purposes, a review where you will take all reasonable and appropriate steps to investigate the situation and recover diverted funds or to ensure the restoration of diverted funds. In such cases, you would make no further payments to the individual(s) involved. Lastly, you will maintain case histories showing recipients of grants, including names, addresses, purpose of awards, amount of each grant and manner of selection.

The selection committee of recipients for grants presented under C will consist of qualified licensed employed by you. The selections made by the are presented to and subject to approval by your board of directors. All selections for grants presented under C will be objective and nondiscriminatory and shall be on the basis of criteria reasonably related to the purposes of the grants.

Notwithstanding the foregoing, no director, officer, substantial contributor to you, individual participating in the selection process or family member of the foregoing may receive a grant from you. Moreover, in no event will a grant be made for the benefit of a particular individual if any director, officer, substantial contributor, individual participating in the selection process, or family member of the foregoing stands in a position to derive a private benefit, directly or indirectly, from such grant. In the event that a director, officer, substantial contributor, individual participating in the selection process, or a family member of the foregoing does attend any event as a teen or parent participant, all costs and expenses relating to such person's attendance shall be paid for by the attendee directly and will not in any way be paid for by you.

Program: D

Through D, you invite students who have just completed a course affiliated with D to apply to attend a weekend L. You host each , arrange for professors and guest speakers working in the philanthropic sector to attend, facilitate and present. You pay for the costs of reasonable travel expenses, lodging, programmatic activities, and meals for the selected student ambassadors. The purpose of the is educational and advisory, both to improve and enhance the students' understanding of and commitment to philanthropy, as well as advise you on how best to award anywhere between q in funding to organizations.

The also facilitates the formation of partnerships with dozens of top students and professors from around the country, which in turn leverages the resources of your small staff. The grant write-ups prepared by these students contribute meaningfully to your ability to make over s grants per year, by assisting you in vetting and selecting organizations across the country to receive donations.

Each university with a course affiliated with D sends a professor who teaches said course to a day-long J. At the J, you arrange for facilitated discussion directed by professors in attendance. As part of your grant to each university, you will pay for the costs of reasonable travel expenses, lodging, programmatic activities, and meals for attending professors. While grants for such expenses are currently made to universities, you may make such grants on an individual basis in the future. The purpose of the J is to inform both you and other professors on best practices for teaching philanthropy courses, and to build a network of professors who are educating students on how to properly evaluate organizations.

You host one _____ per year and expect to have between v student ambassadors from university partners in attendance at each _____. You also generally host one _____ per year, with one professor from each university partner in attendance. Presently, there are w university partners participating.

The amount of the expense reimbursement will vary somewhat from attendee to attendee depending on the costs of travel to and from the L or J location.

You publicize the L and J with each university partner as well as on D's website to ensure each student and professor participating in a course affiliated with D is aware of the opportunity. Each university partner also promotes the opportunity to attend the L with the students in their course at the start of and throughout the semester. Students eligible to participate in an L include any student enrolled at a university partner who completed a course affiliated with D during the prior academic year. Additionally, selected student ambassadors who attended a prior year's _____ at which their recommended charity was selected to receive a grant from you may be invited back to attend a day of programming during a subsequent _____ in order to report on and evaluate the charitable impact of the grant.

Selected students typically will be able to attend an L only once because they can attend only immediately after taking a D affiliated course.

With respect to supervision of D, you expect that the terms and conditions of your grants will be contained in a letter sent to the selected recipient. Written acceptance of such terms and conditions will be required. Rather than making cash payments to selected individuals, you will either pay selected grantees' travel, lodging, and meal expenses directly on such individuals' behalf or you will reimburse reasonable, approved, and substantiated expenses. You will require receipts that identify the amount, date, and character of each expense for which reimbursement is sought. Following each event, you will require grantees to furnish to you a report describing the use of the grant funds and describing the grantees' progress in achieving the purpose of the grant.

You will condition reimbursement of approved and substantiated expenses on prior delivery of this report and the supporting receipts, and will not make future grants to individuals if they do not provide the required information. You will have in place, in the event that you determine that any part of a grant had been used for improper purposes, a review where you will take all reasonable and appropriate steps to investigate the situation and recover diverted funds or to ensure the restoration of diverted funds. In such cases, you would make no further payments to the individual or individuals involved. Lastly, you will maintain case histories showing recipients of grants, including names, addresses, purpose of awards, amount of each grant and manner of selection.

The selection committee of recipients for grants presented under the L will consist of your staff. The selection committee of recipients for grants presented under the J will consist of current professor(s) teaching the affiliated course at each respective university partner. While you host and therefore have ultimate approval over selections for the J, you expect to defer to the selection made by university partner professors. All selections for grants presented under the L and J will be objective and nondiscriminatory and shall be on the basis of criteria reasonably related to the purposes of the grants.

Notwithstanding the foregoing, no director, officer, substantial contributor to you, individual participating in the selection process or family member of the foregoing may receive a grant from you. Moreover, in no event will a grant be made for the benefit of a particular individual if any director, officer, substantial contributor, individual participating in the selection process, or family member of the foregoing stands in a position to derive a private benefit, directly or indirectly, from such grant.

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