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

Date:
05/09/2025
Taxpayer ID number:

Person to contact:

Release Number: 202531016
Release Date: 8/1/2025

LEGEND
X =Number Range
y dollars = Amount
z dollars = Amount

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 program to provide annual nonrenewable grants to support conservation research and community-based conservation which aligns with your mission statement and objectives.

The grants will fund projects based on any non-human primates, their habitats, or any animal or plant species which influence the same landscapes as non-human primates. Your grants will support three objectives consisting of 1) building capacity, 2) amplifying voices, and 3) partnering with local communities. Your grants will be publicized on your website, as well as through social media, marketing firms and shared professional organizations.

The number of grants awarded will be based on your budget which you anticipate to be in the range of X per year. The amounts of the grants for projects six months or shorter will of be in the range y dollars. Projects longer than six months will be in the range of z dollars.

To be eligible for funding, applicants must demonstrate a clear and specific link to the conservation of nonhuman primate species. To apply for a grant all applicants must submit a detailed project proposal following your template and complete the online application. The applicant must provide information such as a detailed description of the project, a detailed budget, references, and a timeline. Visuals such as maps and figures are encouraged. Applications failing to follow your instructions will not be considered.

The selection process will consist of a double-blind review process for each application. At first each application will be reviewed by members of your advisory council, which is comprised of several leading Ph.D. scientists from respected conservation and biodiversity related fields. Each reviewer will use a decision matrix with numerous weighted criteria to score each application. The reviewers cannot see weights of questions to avoid bias. You will fund the top scoring project proposals. To ensure applications are scored consistently and fairly, you will hold norming sessions so that reviewers interpret scoring criteria in the same.

Criteria used to score applications include:
• Are project objectives 'SMART' (i.e., specific, measurable, achievable, relevant, and time bound)?
• How strong is the applicant's relationship with local stakeholders and beneficiaries? or
• How well does the applicant demonstrate a strong potential for building such relationships in an area where they do not already exist?
• Is the description of how grant funds will be used meaningful, convincing, and cost-effective.

You require all grant recipients to agree to submit a final report in English within 6 months of project completion. Final reports can either be written or visual (2 to 4-minute video). Videos are encouraged and preferred. All final reports must include a minimum number of high-resolution photos with captions. Recipients must also complete a self-assessment contained within the final report as part of your independent project outcome evaluation that includes a decision matrix designed for measuring project achievements by the Advisory Council. Assessments will be used as a tool to further develop your grant application and review process, with the goal of improving project outcomes. Publications, conference papers, and other media formats using data that were obtained with the support of your grant should include acknowledgment. If terms of the award are violated, you would follow best practices on grants.gov website. That individual would not be eligible for future funding.

You will check the OFAC List of Specially Designated Nationals and Blocked Persons for names of individuals and entities with whom you are dealing to determine if they are included on the list. You will comply with all statutes, executive orders, and regulations that restrict or prohibit persons from engaging in transactions and dealings with designated countries, entities, or individuals, or otherwise engaging in activities in violation of economic sanctions administered by OFAC. You will acquire from OFAC the appropriate license and registration where 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.

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