

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

Department of the Treasury

Date: June 29, 2021

Employer Identification Number:

Contact person - ID number:

Number: **202138009**
Release Date: 9/24/2021

Contact telephone number:

LEGEND

UIL: 4945.04-04

C = Name

D = Name

E = Name

F = Name

G = Name

u dollars = Amount

v dollars = Amounts

w dollars = Amount

Dear :

You asked for advance approval of your scholarship grant and educational loan procedures under Internal Revenue Code Sections 4945(g)(1) and 4945(g)(3). This approval is required because you are a private foundation that is exempt from federal income tax.

Our determination

We approved your procedures for awarding scholarship grants under Internal Revenue Code Section 4945(g)(1). We also determined your procedures for awarding educational grants meet the requirements of Code Section 4945(g)(3). Based on the information you submitted, and assuming you will conduct your programs as proposed, we determined that your procedures for awarding scholarship and educational grants meet the requirements of Code Sections 4945(g)(1) and 4945(g)(3), respectively. As a result, expenditures you make under these procedures won't be taxable.

Also, awards made under Code Section 4945(g)(1) are not taxable to the recipients if they use them for qualified tuition and related expenses (subject to the limitations provided in Code Section 117(b)).

Description of your request

Your letter indicates you will award grants under Code Sections 4945(g)(1) and 4945(g)(3).

Your purpose involves catalyzing a transformation in global society, moving from a culture of domination to one of equality and partnership. You support the development of capacities in people both individually and collectively to help create a caring and balanced world.

Pursuant to Section 4945(g)(1), you may award scholarships for students to attend qualified programs at an educational institution described in Section 170(b)(1)(A)(ii).

Pursuant to Section 4945(g)(3), you may award grants to qualifying individuals to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent.

To publicize the availability of all grants, you will use written materials that will vary based on the scope and purpose of the grant. You will use a number of available methods of soliciting applicants for grants. Given the scope and purpose of the particular grant, the methods of solicitation and publication may change based upon changes in social media, as well as changes in other channels of communication targeted to reach your core demographic. Further, you will initially use the following methods:

- Website posts on your website, and those of affiliated partners.
- Social media posts on your channels, and those of affiliated partners.
- Publication through news media outlets and various publications, including by way of sponsored content news and interest articles.

You will determine the dollar amount for each grant based on the type and character of the particular grant and based on, among other things, the applicant's scope of need and proposed use.

Regarding the application process, applicants must obtain this information from your web site. Prospective applicants are then generally required to submit the application in the form found at your website with the supporting materials required for the particular grant together with a cover letter which includes additional information that the applicant believes is relevant to their application.

All complete scholarship applications and grant applications and/or requests will be reviewed by a selection committee whose members are appointed by you. Appointments will be made based on the criteria you establish from time to time including that:

- Every member of the selection committee charged with the evaluation of candidates for grants will adhere to your relevant policies as they may be adopted and amended from time to time, including without limitation a conflict of interest and confidentiality policy.
- Every member of the selection committee charged with the evaluation of candidates for grants will be obligated to disclose any personal knowledge of and relationship with any potential recipient under consideration and to refrain from participation in the award process in a circumstance where he or she would derive,

directly or indirectly, a private benefit if any potential recipient or recipients are selected over others.

The selection committee will evaluate candidates based upon need and qualification with respect to the specific purpose of the grant and forward their recommendations to you. Your board will approve each award on an objective and nondiscriminatory basis. You may give preference to applicants of a particular sex, race, ethnic background, or religion so long as such preference does not violate public policy. You also reserve the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of grants and the administration of such grants. No grant may be awarded to any member of your board, any substantial contributor or employee of yours, or any disqualified person as defined in Section 4946(a) with respect to you.

Your grants may be renewable based at the discretion of your board. The criteria for renewing a grant will generally include that the recipient:

- Must still be an eligible grant applicant for the type of grant awarded.
- Will have complied in all material respects with the grant restrictions imposed and submit certification of such compliance.
- Will upon your request resubmit a new grant application and/or a grant renewal request in a form determined by you, which may be different for each type of grant.
- Will not have undertaken any act or omission which jeopardizes your tax-exempt status.

Details concerning Code Section 4945(g)(1) Scholarship Grants

You plan to administer certain funds that provide scholarships to individuals attending or planning to attend an educational institution described in Code Section 170(b)(1)(A)(ii), including primary school, high school, college, and graduate school. All scholarships must be used for tuition and related expenses at an educational institution described in Section (170(b)(1)(A)(ii). A typical scholarship will generally be in dollar increments, but you will consider the scope and nature of the purpose of each scholarship when determining the amount. To be eligible for a scholarship under Code Section 4945(g)(1), applicants must be primary or secondary school students, undergraduate or graduate students at a college or university who are pursuing studies or conducting research to meet the requirements for an academic or professional degree. Applicants may also be attending a training program at a qualified accredited educational institution to prepare them for gainful employment in a recognized occupation.

To be eligible for a scholarship under IRC Section 4945(g)(1), specific criteria may include, but are not limited to, the following:

- Prior academic performance
- Performance on tests designed to measure ability and aptitude for educational work

- Recommendations from instructors and any others who have knowledge of the applicant's capabilities
- Additional biographical information regarding an applicant's career, academic and other relevant experiences
- Financial need
- Conclusions which the grant selection committee may draw as to the applicant's motivation, character, ability, or potential
- Criteria may also include the applicant's place of residence, past or future attendance at a particular school, past or proposed course of study or evidence of his or her special talent.

To apply for a scholarship under Section 4945(g)(1), applicants must provide biographical information, recent school transcripts, standardized testing scores, letters of recommendation, family circumstances impacting need for financial assistance, background and how it has shaped them as well as honors or achievements they have earned (from school/work/community). Applicants are required to provide other specifics including but not limited to a description of their greatest achievements, obstacles they have overcome, their proposed course of study, issues in their proposed course of study and why they have chosen this course of study, prior work and/or volunteer experience as it relates to their course of study, specific skills they have that would benefit them in their course of study and/or field, and/or other relevant information pertaining to their course of study.

The appointed selection committee will review and evaluate the application materials on an objective and nondiscriminatory basis. They will notify you of their recommendations. You will make the final decision and notify the scholarship recipients. Each scholarship recipient must agree in writing to use the scholarship funds to defray their expenses such as tuition, fees, books, room and board, and equipment, to attend a qualified educational institution described in Code Section 170(b)(1)(A)(ii). The recipient must also verify they are attending and/or are enrolled at the educational institution. Generally, funds will be directly paid to the qualified educational institution.

Details concerning Code Section 4945(g)(3) Grants

You plan to administer certain funds to be awarded primarily as objective based grants within the meaning of Code Section 4945(g)(3). Specifically, these are grants to be awarded to individuals, to attend various educational programs and to other individuals for vocational or other training to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent that relates to your mission.

Various grants under Code Section 4945(g)(3) include:

- Objective based grants- These will be awarded for u dollars which will generally provide young people with funds to help them in their pursuit of unconventional educational and/or vocational paths, and to further advance the recipients' leadership, communication, and outreach skills and tools. These grants also will

be awarded to students from lower income backgrounds to attend programs to enrich their academic experience, hone their leadership skills, and provide opportunities for continued learning.

- C grants and D grants- These will be awarded in the range of v dollars and will fund travel to a convention that focuses on improving schools' and communities' environment and a year's subscription to E curriculum.
- F grants – These will be awarded in the range of w dollars which will fund recipients entry into a G career path The specific purpose of F grants is to help driven and ambitious youth pay for the equipment and membership dues required to participate in training programs for G competitions.

To apply for a grant under Code Section 4945(g)(3), applicants can submit a direct application to self-nominate themselves. In addition, you encourage and accept submissions and nominations on behalf of individuals other than the person submitting the application. For example, educators and mentors can nominate applicants directly to you.

To apply for grants under Code Section 4945(g)(3), biographical and background information as well as other relevant information must be provided. In addition, both the nominator (if applicable) and the nominee will be required to answer pertinent questions concerning the nominee as well as provide other details such as what the grant is funding. Examples of pertinent questions that must be answered include what are the long term plans of the applicant, why are they pursuing the area the grant is intended to fund, obstacles they have overcome and their plans if they do not receive the grant. Applicants for the F grant must provide examples of their work, why they chose that particular field and other information you deem relevant.

The selection committee will review the application materials and will use criteria related to the specific grant purpose. The criteria may include prior experience, contributions to the field, demonstrated academic achievement, financial need, character, ability, motivation and potential. After their review, they will make recommendations to you. You will make the final decision and notify the recipients.

Proceeds for grants under Code Section 4945(g)(3) will usually be directly paid to the recipient. Recipients must agree to the terms of the grants before any funds are paid.

Recipients of grants under Code Section 4945(g)(3) will be required to provide a written report to you about their activities and use of funds at the end of the grant period. If the grant is for a term of longer than one-year, periodic written reports will be required at least annually. Any funds not expended for the purpose of the award must be returned to you for use in furtherance of the mission and the charitable purposes of the particular grant under which such award was made.

Oversight for all Grants

Concerning reporting requirements, you will complete the following: (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the

grant was awarded, (2) investigate diversion of funds from their intended purposes, (3) take all reasonable and appropriate steps to recover the diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and (4) 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 diversions from occurring.

Concerning record keeping, you will: (1) maintain all records relating to individual grants including information obtained to evaluate grantees, (2) identify whether a grantee is a disqualified person, (3) establish the amount and purpose of each grant, and (4) establish that you undertook the supervision and investigation of grants described above.

Basis for our determination

The law imposes certain excise taxes on the taxable expenditures of private foundations (Code Section 4945). 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 of the following requirements of Code Section 4945(g) is not a taxable expenditure.

- The foundation awards the scholarships and grant 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 the provisions of Code Section 117(a). The grant is:
 - A scholarship or fellowship subject to Section 117(a) and is to be used for study at an educational organization described in Section 170(b)(1)(A)(ii); or
 - A prize or award subject to the provisions of 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 Regulations 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.
- The grant is to be used for study at an educational organization described in Code Section 170(b)(1)(A)(ii).

Other conditions that apply to this determination

- This determination covers only the scholarship, grant, and loan programs described above. This approval will apply to succeeding scholarship, grant, and loan 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 precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes in your program to the Cincinnati Office of Exempt Organizations at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

- You cannot make scholarships, grants, and loans 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 must further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with Code Section 170(c)(2)(B).
- You should keep adequate records and case histories so that you can substantiate your scholarship, grant, and loan distributions with the IRS if necessary.

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, please contact the person listed at the top of this letter.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements