

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

**Department of the Treasury**

**Date: January 11, 2022**

**Employer Identification Number:**

Number: **202214020**  
Release Date: 4/8/2022

**Contact person - ID number:**

**Contact telephone number:**

**LEGEND**

**UIL: 4945.04-04**

B = Name  
C = Subject  
D = Date  
E = Organization  
F = Organization  
G = Date  
H = Date  
v dollars = Amount  
w dollars = Amount

Dear \_\_\_\_\_ :

You asked for advance approval of your educational grant procedures under Internal Revenue Code Section 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 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 Code Section 4945(g)(3). As a result, expenditures you make under these procedures won't be taxable.

**Description of your request**

Your letter indicates that you will operate an educational grant program called B. The purpose of B is to award post-doctoral research fellowships to recent recipients of the PhD degree working in classical C. The fellowship is intended to provide grantees with an opportunity to revise their dissertations and prepare them in publishable form, and /or to undertake a new, post-dissertation research project with an accredited college or university or museum research department. Specifically, B is an in-residence grant, meaning that a grantee must be affiliated with an appropriate program at a U.S. university or other U.S. institution of higher learning and/or research, and must demonstrate that program's willingness to act as host. Normally, the institution would be other than the one

from which the applicant received their PhD degree. The grantee will also be required to independently teach one course and to present at least one lecture in an appropriate forum at the host institution during each year of their fellowship. Those who would be hosted by non-teaching institutions such as independent research centers or museums must submit a tentative program of lectures and seminars. In no circumstance should the post-doctoral fellowship be conceived by the host institution as leave replacement, course relief, or succession of a faculty member. Potential grantees are not permitted to be hosted by an institution in which they have previously served in a faculty capacity.

You will administer B. Specifically, you will survey potential grantees, award grants, administer grants, review required reports from grantees, oversee implementation of the grants and distribute funds directly to grantees. Your fellowships will be awarded on an objective and nondiscriminatory basis. You will promote B on your website as well as the websites of E and F. You also make announcements to the heads of departments in each of the leading programs at American universities.

The fellowship period for B will typically begin at the commencement of the academic year of the host institution and will continue for the two following years. In the case when the host institutions are not an academic institution, you will coordinate the specifics of the fellowship with both the recipient and host institution. Additionally, each fellowship will carry an annual stipend of v dollars plus a research fund of up to w dollars and will be payable to the grantee. Amounts will be reviewed biannually. In addition, when applicable, on the condition that the host institution will give the grantee access to their faculty health care program at the regular faculty subsidized rate during the entire grant period, you will reimburse the cost of the coverage, as well as other related expenses, to the host institution up to a maximum of 20% of the grant's annual stipend.

To be eligible for B, the applicant must have completed a doctoral degree or equivalent in a relevant field of Classical C at an accredited university in any country within four years before the beginning of the date of the fellowship. They must also be affiliated with an appropriate program at a qualified university or other United States institution of higher learning and/or research as well as have completed all requirements for their PhD degree no later than D of the year in which the fellowship will begin.

To apply for B, applicants must complete and submit an application form by D along with a one-page curriculum vitae, and a project proposal of no more than one thousand words describing the research to be undertaken during the fellowship. They must also provide a description of the nature and content of the research they will undertake during the fellowship and a description of how this relates to their dissertation and to the importance of the field of C. In addition, applicants must include a description of their dissertation and any subsequent research in C as well provide the name of a faculty member at the proposed host institution who would serve as their mentor. Applicants must also submit two letters of support from academic persons familiar with their work, plus a letter from an appropriate authority at the proposed host institution indicating the institution's willingness to host them.

You will review all application packages for completeness. Complete packages will then be evaluated by the Fellowship Selection Committee, which will consist of your President and Vice President as well as other members annually appointed at the beginning of each grant cycle by you. Each member of the Selection Committee is obligated to disclose the existence of a relationship that they have with any potential grantee under consideration. A Selection Committee member will refrain from participation in the award process if such member could derive, directly or indirectly, a tangible private benefit from any potential grantees' selection over that of other potential grantees. Your officers, directors, substantial contributors, Selection Committee members, and their children or close relatives are not eligible for grants made under B.

Those selected will be notified by early spring and must agree to the terms of the grant. Specifically, the grantees must agree to independently teach one course and to present at least one lecture in an appropriate forum at the host institution during each year of their fellowship. Continuation of the fellowship for the second year will be conditional on:

- a. The grantee's submission of a report documenting satisfactory progress during the first year, and
- b. A letter from an appropriate officer of the host institution indicating their willingness to continue hosting the grantee for a second year.

Grantees are required to submit progress reports to the board of directors bi-annually on G and H of the years during the grant is in effect to determine if the grantees have performed the activities the grants are intended to finance. A more detailed report, up to four pages in length, is to be submitted to you within one month after the end of the grant period. Awardees are also expected to provide you copies of any scholarly publications resulting from research conducted during the grant period, regardless of their date of final publication. Failure to submit reports promptly may result in suspension or revocation of the fellowship.

You represent that 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 the 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 diversions from occurring.

You represent that you will maintain all records related to the following: (1) individual grants including information to evaluate grantees, (2) grantees which are identified as a disqualified person, (3) how the amount and purpose of each grant was established, and (4) how you established supervision and investigation of the 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 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 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 174(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.

**Other conditions that apply to this determination**

- This determination covers only 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 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 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 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 grant 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 any questions, please contact the person listed at the top of this letter.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

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