

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

Department of the Treasury

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Employer Identification Number:

Contact person - ID number:

Date: June 9, 2015

Contact telephone number:

LEGEND

UIL: 4945.04-04

\$s= dollar amount

\$t= dollar 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

You will operate a program to reduce religious intolerance in general, and on college campuses in particular.

Your grants will be awarded to college and graduate students who accept unpaid or low-paying internships with an organization (NGOs and not-for-profits) whose work aligns with your mission. The grants will be used to support the recipient's reasonable living expenses during the course of the internship.

The specific purpose of the program is to enable students to participate in unpaid or low-paying internships with organizations whose work aligns with your mission by reducing religious intolerance on campuses, religious hate crimes, and expanding the students' knowledge and understanding of these issues. With the support of your Executive Director and working with professionals in these issues, the students will return from their internships with the knowledge and experience that will allow them to educate and positively influence their classmates and others.

You will announce your internship program on your website via press releases, blast emails to individuals and organizations who are interested in your work, and through a network of other groups working on campus issues.

You will award a total of \$s annually to provide funding for four to six students. The size of each grant will depend on the student's proposed budget. The maximum individual grant is \$t.

Your eligibility criteria include:

- The applicant's current enrollment in good standing in a credentialed undergraduate or graduate program;
- Evidence of the applicant's acceptance of an unpaid or low-paying internship with a not-for-profit organization or NGO that will allow the student to work on an issue that aligns with your mission; and
- Certification that the applicant is not related to any of your Directors or Officers (or other disqualified persons).

You will select recipients on an objective and nondiscriminatory basis. Selected students must demonstrate:

- (i) Strong academic performance;
- (ii) A well-considered plan to advance knowledge related to your mission;
- (iii) A commitment to using the knowledge to positively impact others; and
- (iv) A commitment to "giving back" by serving as mentors to future participants in your program.

Before selecting the grantees, you will verify the accuracy of the representations made and materials submitted by the potential recipients in connection with the application and review process.

Once the recipients have been selected, your Executive Director will be significantly involved in supervising, supporting and mentoring these individuals. When the internship is completed, the recipient will submit a final report or written workpapers prepared during the internship.

Grants will be paid on a periodic basis over the term of the internship. If, through your close supervision of the recipients over the term of the internship, you determine that any of the requirements of the program are not being met, no further payments will be awarded. In addition, before receiving grant funds, the recipient must provide written agreement to repay any grant funds that have not been used for your charitable purposes. If there is any indication that a grantee has misrepresented his or her experience or work, a member of your Board of Directors will conduct an investigation. You will take all reasonable steps to recover grant funds where there is evidence that they have been misused. The final payment will be made upon your acceptance of the grantee's final report.

The current selection committee members include the President, Vice President, Treasurer, and the Executive Director. At this time, only those persons holding these offices and titles shall be included on the selection committee. In no event shall any member of the selection committee be in a position to receive any private benefit, directly or indirectly, if certain potential grantees are selected over others. Grantees may not have a family or business relationship with any of the members of the selection committee or any officers or substantial contributors to you.

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 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.

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.

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,

Tamera L. Ripperda
Director, Exempt Organizations