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

Department of the Treasury

Number: **201504018**
Release Date: 1/23/2015

Employer Identification Number:

Contact person - ID number:

Date: 10/29/14

Contact telephone number:

LEGEND

UIL: 4945.04-04

X=Program name
b=Number
c=Number
d dollars=Amount

Dear :

You have previously received approval for your grant procedures under Section 4945(g)(3) of the Internal Revenue Code in our letter dated June 9, 2004. You are making revisions to these grant procedures and are now requesting advance approval of the revised grant procedures. This approval is required because you are a private operating 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 operate an educational grant program called X.

Your purpose is to promote arts, cultural and educational programs by supporting the creation, development, production and presentation of projects and by commissioning new works for presentation at other cultural and educational institutions.

The purpose of X is to enable curators, critics, writers, producers of an artist's work, an artist acting as a curator or any individuals who are involved in organizing creative projects relating to contemporary arts and culture to travel and pursue artistic and cultural research around the world. The specific purpose of each grant will be to improve and enhance an artistic or other similar capacity, skill, or talent of the grant recipient by

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providing resources to expand his or her knowledge and understanding of developments in contemporary arts and culture throughout the world. Information about X is on your website.

Approximately b grants recipients will be selected approximately c times per year based on the selection criteria, the number of eligible recipients, and the availability of funds for X. The amount of each grant will be determined by your selection committee, which consists of your directors and is currently expected to be d dollars.

Recipients will be selected from among those individuals who satisfy the following eligibility criteria:

- The individual must be a curator, critic, writer, producer of an artist's work, an artist acting as a curator or otherwise involved in organizing creative projects relating to contemporary art and culture;
- The individual must not have an established and consistent means to specifically travel and conduct research in the contemporary arts; and
- The individual must demonstrate an interest in new innovative, or experimental projects and a desire to work with emerging or under recognized creative and artistic talents.

Grant recipients may be of any nationality and may be based in the United States or abroad and will be selected from eligible individuals who:

- Either submit an on-line application through your website detailing their background in and possible future creative projects involving contemporary arts and culture; or
- Are nominated to you by any art professional.

The selection committee will select the recipients based on the individual's past, current and future involvement and interest in creative projects relating to contemporary arts and culture with a view toward selecting individuals from a diversity of backgrounds, experience, ethnicity, gender, and geographical distribution. A professional staff member of yours in consultation with members of your selection committee will conduct additional due diligence on and request additional information from potential grant recipients as applicable.

All grant recipients will be selected on an objective and non-discriminatory basis. No member of the selection committee will be in a position to derive a private benefit, directly or indirectly if potential grant recipients are selected over others. No grants will be made to your contributors, to members of your board of directors, to your officers, to any disqualified persons with respect to you, to any member of your selection committee or to family members of any persons listed above or for a purpose that is inconsistent with your charitable, literary, scientific and educational purposes.

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The terms and conditions of each grant to an individual will be contained in a letter sent to the grant recipient; prior to receiving the grant, the grant recipient will be required to sign a copy of the letter and return it to you to confirm acceptance of the terms and conditions of the grant. Terms and conditions of the grants will include:

i. A description of the specific purpose of the grant; its duration, the total amount of the grant; and.
ii. The requirements for reports including due dates for the reports.

Payment of the grant funds will be made directly to the individual grant recipient. Grant recipients will be required to submit a written report within one year from the grant date detailing the use of the grant funds and the accomplishments the grant recipient made in achieving the purposes for which the grant was awarded as well as a financial report accounting for the funds that have been sent during that year. A professional staff member of yours will have the responsibility to follow each individual grant recipient and will review each report submitted by the grant recipient to make a determination as to whether the grant's purposes are being or have been fulfilled and to look into any questions requiring further scrutiny or investigation.

Where the reports received by you or other information (including the failure of a recipient to submit reports after a reasonable time has elapsed since their due date) indicate that all or any part of the grant funds has been used for improper purposes, you will initiate an investigation. If you determine any part of the grant has been used for improper purposes, you will take all reasonable and appropriate steps to recover diverted grant funds or to insure the restoration of diverted funds and the dedication of other grant funds held by the grant recipient to the purposes being financed by the grant; these steps will include legal action unless such action would not result in the satisfaction of execution on a judgment.

You will retain records (in written or electronic form, as applicable) relating to all grants for a period of four years after each grant is awarded or declined. Such records will include (i) all grant applications and any other information used by you to evaluate the grant recipients; (ii) a list showing the name and address of each grant recipient and the amount and purpose of each grant, as well as identifying if applicable any relationship the grant recipient has with you; (iii) a record of the name and address of each applicant who did not receive a grant; and (iv) all reports and other information obtained by you in administering the grants.

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.

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- 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.

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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,

Director, Exempt Organizations

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