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

Department of the Treasury

Release Number: **201509064**
Release Date; 2/27/2015
Date: December 4, 2014

Employer Identification Number:

Contact person - ID number:

Contact telephone number:

LEGEND:
B = foundation
C= LLC
D= project
E= religion
F = country
G = university
h = dollar amount
j = dollar amount
m = dollar amount
n = dollar amount
p = dollar amount

UIL:
4945.04-04

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 will not be taxable.

Description of your request
B, a foundation and the sole member of C, operates an educational grant program called D. The purpose of D is to expose participants to leadership and career opportunities, nurture those skills and encourage participants to consider a career as a professional in the E community. While B will primarily fund D, B may request that other donors enter into their original grant agreement with the recipient in providing additional funding. You plan on operating in connection with B to become an additional donor party to the grant

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agreement. In doing so, you will provide grants to the original recipient and funds would be administered and monitored under the procedures established by B described below.

You initially plan to invite anywhere from 20 to 40 college students who have demonstrated an affinity towards playing a leadership role in the E community and anticipate will seriously consider a career as a E communal professional to apply for D.

The first phase of the program will involve recruitment during summer, some distance learning during the fall semester of the first academic year and a scholarship and other funding for participants to spend the spring semester at a university in F, currently anticipated to be G. In addition to being a matriculated student, program participants will participate in a number of additional educational activities which you expect to provide exclusively during the spring semester in F which may include:

- Weekly educational seminars which will expose participants to E educational content, leadership skills, role models and career guidance
- Educational tours (single and multiple day tours) of F consistent with the educational theme of the program
- Opportunities to intern at educational institutions, not-for-profit organizations or other social service agencies in F
- Planning sessions for the camp and campus projects

The duration of the first phase of your program will last for approximately two years. Thereafter, you will commit to funding new participants and the participant number will be determined after an assessment regarding the success of the program's first year and available resources.

It is anticipated that you will recruit a new cohort each year to participate in Phase I of the program. In connection with the spring semester in F, you will award each participant a stipend to fully subsidize the cost of the tuition to attend their university. On a financial needs basis, you may also make scholarship funding available. At the conclusion of Phase I, you will invite a number of participants who you believe are likely to pursue careers as E communal professionals, either as a rabbi, educator, social worker or not-for-profit manager to apply for a fellowship to graduate school. You anticipate awarding a certain number of fellowships to deserving applicants to attend graduate school. Phase II will last for the duration of the graduate program in which participants are matriculated students.

You anticipate focusing your recruiting efforts on the senior staff at certain summer camps that have substantial E educational programming and inviting such individuals to identify potential college age staff members who would be appropriate candidates to apply to your program. Your staff will then send promotional materials and an application to such senior camp staff and once potential applicants are identified, you will send such materials directly to such college students. Program staff will also visit certain summer camps that have substantial E educational programming to recruit potential program participants and will market the program directly to college age staff at such camps.

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In the event that your selection process does not yield enough candidates to meet the participant numbers, you may broaden your process and recruit college students directly from nominations, recommendations and referrals from other sources either by seeking individuals who have a track record of service within the E community or by virtue of the fact that such individuals are already scheduled to spend the spring semester abroad at an university in F. You will provide such individuals with recruitment materials, and an application that needs to be completed. Individuals will then interview with your staff.

While the participants are in F for the spring semester, they will receive guidance on the development of an educational project that they will be responsible for implementing during the following summer and on their college campus during the following academic year. You will underwrite the cost and will provide a mentor providing guidance on the development of this project. You will also underwrite a budget expected on average to equal approximately j dollars to support implementation costs. Such amount will be dependent upon a budget the participant will submit for approval. Upon successful implementation during the summer, you will pay a m dollars honorarium to the participant. During the second year, participants in good standing would be invited to an in person multi- day educational conference in the United States. You will underwrite all travel, lodging and food expenses to enable participants to attend the conference.

Program participants are also expected to implement an educational program on their college campus or in the local community during the second year of your program. In connection with such project, you will underwrite the cost of and provide a mentor to provide guidance on the development of this project, expected on average to equal approximately h dollars to support implementation costs. Such amount will be dependent upon a budget that the participant would submit for your approval. Upon successful completion of this project during the second year of the program, you will pay a j dollars honorarium to the participant.

Selection for participation in Phase I will be based in connection with the following parameters:

- The level of engagement in E life of the applicant
- The level of the interest in pursuing a career as a E communal professional
- Aptitudes of the applicant in a career as a communal E professional
- Academic achievements
- Strength of the letter of reference for such applicant
- Interview and interpersonal skills, as determined by your staff

To obtain a fellowship during Phase II of D, the participant must demonstrate to your staff superior leadership abilities, a passion to serve and work in a professional capacity in a not-for-profit organization that serves the E community and superb academic capabilities demonstrated in their coursework at their F university and at their domestic college. Fellowship recipients are eligible for up to three years of support (or the duration of the academic program if it is longer than three years). Fellowship recipients must be accepted into a graduate program and remain in good standing at the academic institution where they are studying in order to continue to receive your financial support.

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Phase II participants will also participate in certain distance learning and may be asked to mentor future Phase I participants. Phase II participants may also be invited to an educational conference held in the United States. Selection for participation in Phase II will be based on the level of promise and aptitudes that the Phase I participants have demonstrated towards fulfilling the program objective — pursuing a successful career as a communal professional either as a rabbi, cantor, educator, social worker or administrator for a not-for-profit organization. Only individuals who were participants in Phase I will be considered for Phase II. Staff will consider the criteria referenced above including the ability and capacity of the participant to plan and implement a quality program of E content in either a camp or campus setting.

The n dollars tuition subsidy that each participant will receive is intended to match the tuition cost at their university in F for the spring semester. Additionally, on a needs basis, participants are eligible to apply for additional scholarship support if they can demonstrate to you that their families would be unable to afford the costs of attending your program in F. The amount of such scholarship would directly relate to the anticipated actual costs of attending spring semester and the demonstrated financial needs of the participant. Additionally, while in F during the spring semester, you will pay for the costs of the educational programming and touring that is made available exclusively to program participants.

You will award certain participants with a fellowship, up to p dollars annually, for up to three years, to enable fellows to attend graduate school to study to become a rabbi, cantor, educator, social worker or not-for-profit manager. Such fellowship awards may cover the costs of tuition, housing and living expenses, and will be subject to your discretion.

You anticipate staffing an advisory committee to inform, shape and advise the development and implementation of the program. You will identify knowledgeable educators with expertise and experience in the subject matter that will be the focus of your program. Your committee may also be tapped to identify alternative locations/programs from which you will recruit prospective participants. Committee members may also have input on the recruitment process and selection criteria.

Your selection committee will be comprised of your staff and an outside expert consultant knowledgeable in program implementation engaged by you to support the development and implementation of your program. Selection committee members will be individuals with knowledge and expertise in operating educational programs for college students and may or may not comprise members of the advisory committee. Your selection committee will also be responsible for identifying any relationships between potential applicants and disqualified persons ensuring that individuals with any such relationship(s) are not invited to participate in your program.

During Phase I, officers or other C representatives will regularly communicate with participants in the program to receive feedback on how the grant monies are being spent. This will include reports on all aspects of the educational programming in the United

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States and F as well as the implementation of the two related projects. In connection with Phase II of the Project, your staff will monitor and remain in regular communication with fellowship recipients and will monitor how grant monies are being spent in connection with Phase II of D.

C, in its sole discretion, may take any and all such reasonable and appropriate steps (including possible legal action) to compel compliance of use of funds for their intended purpose, including requiring the return of all or any portion of funds remitted and the withholding of funds not previously remitted in connection with D.

Potential participants who are related to (whether by blood or through marriage) or have any direct or indirect affiliation with D staff or any of your or C's directors, officers or employees will be ineligible to participate. No director, officer or employee of you or C, or any other person who is involved in the process of selecting applicants, will be in a position to derive a private benefit, directly or indirectly, if certain participants are selected over others.

You will pre-screen any and all non-U.S. applicants using the Treasury Department's Specially Designated Nationals and Blocked Persons List ("SDN"), the FBI's Most Wanted Terrorists List, the State Department's Terrorist Exclusion List, the U.S. Bureau of Industry and Security's Denied Persons List, Unverified List, and Entity List, and similar lists maintained by the United Nations.

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.

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- 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,

Director, Exempt Organizations

Enclosures
Notice 437
Redacted letter

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