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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: MAY 16 2000

Contact Person:

ID Number:

Telephone Number:

OP:E:EO:T2

UIL No.
494504-04

Employer Identification Number:

Dear Applicant:

We have considered your grant-making procedures, as outlined in your letter of June 7, 1999 and subsequent correspondence, under section 4945(g) of the Internal Revenue Code.

Based upon the information you submitted, and assuming your program will be conducted as proposed, with a view to providing objectivity and nondiscrimination in the awarding of grants, we rule that your procedures in the awarding of scholarship grants comply with the requirements of section 4945(g)(1) of the Code. Expenditures made in accordance with these procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3) of the Code, and as such are eligible for the exclusion from income provided for in section 117(a) of the Code to the extent that such grants are actually used for qualified tuition and related expenses within the meaning of section 117(b)(2) of the Code. Our ruling is based, in part, on your representation that you will not select or place grantees so as to benefit particular legislators or political parties or to attempt to influence legislation.

This ruling is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to your organization's creators, officers, directors, trustees, or members of the selection committee, or for a purpose that is inconsistent with the purposes described in section 170(c)(2)(B) and 501(c)(3) of the Code. We note that the placement of grantees will be regarded as important evidence in determining whether grantees are selected for improper purposes.

The approval of your grant-making procedures is a one-time approval of your system of standards and procedures for selecting recipients of grants that meet the requirements of section 4945(g)(1) of the Code. Thus, approval will apply to succeeding grant programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all grant distributions can be substantiated upon request by the Internal Revenue Service.

This ruling is directed only to you. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Because this letter could help resolve any future questions about the application of section 4945(g) of the Code to your activities, you should keep a copy of this ruling in your permanent records.

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We are sending the Ohio Key District Office a copy of this ruling.

Sincerely yours,

(signed) Garland A. Carter

Garland A. Carter
Manager, Exempt Organizations
Technical Group 2

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