

Internal Revenue Service

Department of the Treasury

Entered in PCG

District
Director

P.O. Box 1680, GPO Brooklyn, N.Y. 11202

MAR 10 1987

Date:

Employer Identification Number:
13-3365666

Person to Contact:
R. Burgess

Contact Telephone Number:
(718) 780-6160

► American Foundation For
Intellectual Cooperation With
Europe
c/o Schulte, Roth & Zabel
900 Third Avenue
New York, NY 10022

Dear Taxpayer:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that, as indicated in your application, you are a private foundation within the meaning of section 509(a) of the Code. In this letter, we are not determining whether you are an operating foundation as defined in section 4942(j)(3).

If your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. Also, you should inform us of all changes in your name or address.

Beginning January 1, 1984, unless specifically excepted, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid \$100 or more in a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA). However, since you are a private foundation, you are subject to excise taxes under Chapter 42 of the Code. You also may be subject to other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990-PF, Return of Private Foundation Exempt from Income Tax. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period.

The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for each return filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We have considered your grant-making procedures under section 4945(g) of the Code. Based on the information 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 grants comply with the requirements contained in section 4945(g), and that grants made in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3). In addition, we rule that grants made under your procedures are excludable from the gross income of recipients under section 117 of the Code.

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 the foundation's creators, trustees, or members of the selection committee, or for a purpose that is inconsistent with the purposes described in section 170(c)(2)(B) of the Code.

The approval of your grant-making procedures herein constitutes a one-time approval of your system of standards and procedures designed to result in grants which meet the requirements of section 4945(g) of the Code. Thus, approval shall apply to subsequent 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.

Because this letter could help resolve any questions about your exempt status and private foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

John J. Jennings

District Director

cc: