



**Request for Proposals
To Implement and Support a Centralized
Repository of Information on
Non-U.S. Organizations that Would
Facilitate International Philanthropy
from U.S. Grantmakers**

March 31, 2008



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Executive Summary

U.S.-based international grantmakers have expressed a need for a centralized repository of information on non-U.S. based NGOs to streamline the equivalency determination (ED) process and reduce existing duplication of effort by grantmakers and grantseekers.

This Request for Proposal (RFP) seeks to solicit proposals from organizations who are qualified to:

- Provide step-by-step instructions, references, online tools, and help desk support to assist NGOs to successfully collect, prepare and submit all of the information that is required to be considered for ED status.
- To collect and review all submitted information and documents as being complete and up-to-date.
- Using all of the NGO's submitted information, make a good faith determination in accordance with current IRS regulations that the NGO is the equivalent of a U.S. public charity as specified in Revenue Procedure 92-94.

IRS officials we've met with have raised no objections to establishing a repository and have indicated a willingness to review a more detailed plan. They also indicated that, should the agency approve the repository, grantmakers could rely on the equivalency determination information stored there.

The repository host organization would have the option to partner with other qualified organizations (either nonprofit or for profit), as an affiliate or subcontractor with complementary expertise and resources to provide the complete set of required services to implement the repository and deliver all of the necessary services.

The particular strengths and type of the host and potential partner organizations would be a key factor in the selection by the Advisory Committee and may also increase the likelihood of approval by the IRS.

This RFP describes our vision for the repository, potential funding and governance models, scope of work, detailed operational and system requirements, hosting organization qualifications, and proposal submission requirements.

Overview

Background

Equivalency determination (ED) is one of the two options provided for under IRS rules that enable U.S. grantmakers to make direct grants to non-U.S. based NGOs. Public charities often follow this rule as a good practice, although they are not required to do so, except for cross-border grants made from donor advised funds.

Obtaining information to meet the equivalency determination rule is both time-consuming and expensive. Currently, each grantmaker collects this information individually, thus duplicating the process which in many cases has already been carried out by other grantmakers. This is done at considerable time and expense since NGOs are asked to provide variations of the same information over and over to multiple potential U.S. donors.

This has occurred because interpretations of IRS regulations currently prohibit grantmakers from using another organization's "good faith determination" and, to date there has been no broad-based agreement on standards or a process.

These challenges have caused many international grantmakers to seek ways to improve and centralize the ED process so that more of their resources can be dedicated to helping NGOs rather than on administrative expenses.

Project Support

In the fall of 2005 the [GE Foundation](#) initiated discussions with the Council on Foundations about the possibility of establishing a common repository of information on non-U.S. grantee organizations that could result in a more efficient way of facilitating equivalency determination by U.S. grantmakers. Subsequently the GE Foundation made a grant to the Council to support the project. The [Firelight Foundation](#), the [F.B. Heron Foundation](#), and the [W.K. Kellogg Foundation](#) also provided support in the project's second phase.

Advisory Committee

Wishing to ensure that other key segments of the philanthropic community would be involved in this effort, the Council on Foundations invited representatives of other leading organizations that now include the Foundation Center, Independent Sector and InterAction to join an Advisory Committee to oversee the initiative.



In Spring 2006 [Information Age Associates](#) was engaged to conduct the feasibility study, develop a written report and make a presentation to the project's advisory committee.

Relevant Study Findings and Recommendations

We received 79 survey responses from U.S.-based international grantmakers, 56 non-U.S. NGOs, and 8 U.S.-based international giving service providers.





In general, the survey results indicate a high level of support for the idea of creating a centralized repository that would provide a more efficient system for assessing equivalency determination and vetting. These are the survey highlights.

1. **Broad-based participation.** 79 U.S. based grantmakers, 56 NGO leaders with operations in 59 countries, and 9 international giving service providers participated in the study.
2. **High volume of international grantmaking.** The 79 international grantmakers who participated in the survey and their contracted regrating organizations processed 34,452 applications, and made 11,447 grants in 91 countries totaling US\$ 1.29 billion in 2005.
3. **International giving increased.** The Foundation Center's 2006 International Grantmaking Update http://foundationcenter.org/gainknowledge/research/pdf/intl_update_2006.pdf reports that from 2002 to 2005, adjusted for inflation, international giving climbed nearly 12 percent, far surpassing the 2 percent gain in overall giving. International giving service providers in this NGO feasibility study also report annual increases in donations to non-U.S. based NGOs.
4. **NGO equivalency determination and vetting by grantmakers is very expensive.** In 2005 the 79 grantmaking organizations that participated in the survey spent an estimated \$2.9+ million and the four international giving service providers that reported spent an estimated \$1.1 million for these services in 2005.
5. **NGOs are requested to provide lots of different information.** 63% of NGOs reported that "Many U.S. grantmakers ask us to provide different information about our organization and contacts."
6. **Difficulty understanding and complying with U.S. regulations.** 53% of NGOs reported that "U.S. government regulations about nonprofit equivalency are hard for us to understand and comply with."
7. **Information usually not verified.** Very few grantmakers conduct regular independent verification of the validity and authenticity of either equivalency determination (ED) or expenditure responsibility (ER) information provided by non-U.S. based NGOs. 28% never do this, 25% rarely and 20% only sometimes.
8. **Very little information sharing.** 83% of service provider equivalency determination (ED) and/or expenditure responsibility (ER) processes currently do NOT permit sharing of compliance information among different grantmakers who support the same non-U.S. based NGO.
9. **Centralized repository seen as a significant benefit.** 90% of NGOs, 86% of grantmakers, and 75% of service providers agree that the "availability of a centralized repository containing up-to-date vetted nonprofit information would be a significant benefit."
10. **Favor establishing a centralized repository.** 76% of grantmakers and 74% of service providers would favor establishing a centralized repository of non-U.S. based NGO information.

11. **A centralized repository would streamline the process.** 87% of NGOs, 79% of grantmakers and 75% of service providers agree that “The existence of a centralized repository would streamline the process of NGOs becoming eligible to receive grants.”
12. **Over two thirds of grantmakers agree to provide information to a central repository** with the consent of each non-U.S. based NGO.
13. **Almost all NGOs agree to submit information to a repository.** 98% of NGOs report that “We would submit key information about our organization and officers to a central repository and keep it up-to-date.” However, it will probably be a major challenge for NGOs to keep this information up-to-date.
14. **NGOs prefer central reporting vs. directly to individual grantmakers.** 86% of NGOs report that “We would prefer to submit our NGO information to a centralized repository rather than to each grantmaking organization individually.”
15. **Grantmakers and service providers agree on the major challenges and obstacles** to establishing and maintaining a repository. These include:
 - Establishing consensus and enforcing standards
 - Support and cooperation among grantmakers
 - Collecting and maintaining information up-to-date
 - Establishing a trusted source of accurate, reliable and audited information
 - Buy-in and use by NGOs
 - Getting an IRS letter ruling or other official communication
 - Repository staffing, qualifications, and knowledge
 - Privacy laws, security and NGO trust
 - Shielding grantmakers from potential liability issues
 - Assisting some NGOs with document translation
 - Initial system development and ongoing operational costs
16. **Support of a sliding scale membership fee.** 72% of grantmakers and service providers agree that “Any annual repository membership fee should be based on an appropriate sliding scale.”
17. **Leadership organization support is a key factor.** 76% of grantmakers agree that “The endorsement of a centralized repository by the Council on Foundations, The Foundation Center, GuideStar and Independent Sector would be a key factor in our deciding to use the system.”
18. **IRS letter ruling is a key factor.** 77% of grantmakers and 72% of service providers report that “An IRS letter ruling that would approve the centralized repository would be a key factor.”
19. **Potential for grant support.** 21% of grantmakers report that “Such a repository would be so beneficial that we would consider providing grant support.” 55% say that they “Don’t Know” possibly because they need more specific information before deciding.

Naturally, that support is tempered with many questions about the workability, reliability and sustainability of such a centralized repository.

Click the links below for a copy of the feasibility study's December 2006 report, the detailed survey results, and recommendations.

-  [NGO Repository Feasibility Study - Findings and Recommendations](#)
-  [Appendix A - International Grantmaker Detailed Survey Results](#)
-  [Appendix B - NGO Leader Detailed Survey Results](#)
-  [Appendix C - Service Provider Detailed Survey Results](#)

Developing Consensus on Repository Equivalency Determination (ED) Requirements

In May 2007 a meeting was conducted with the legal counsel of many of the largest international grantmakers to identify their key requirements for a centralized repository.

In June 2007 an **Exploratory Committee** was established to assist in recommending key operational requirements. Representation on this committee includes:

Bill & Melinda Gates Foundation	William and Flora Hewlett Foundation
BP Foundation	W.K. Kellogg Foundation
Carnegie Corporation of New York	Independent Sector
Charles Stewart Mott Foundation	InterAction
Council on Foundations	Rockefeller Brothers Fund
Foundation Center	Rockefeller Foundation
GE Foundation	Silk, Adler & Colvin
Grants Managers Network	United Way of America

The project Advisory Committee has worked closely with Marc Owens of Caplin & Drysdale who serves as outside legal counsel to the Council on Foundations. Owens was employed by the Exempt Organizations Division of the Internal Revenue Service for his entire government career and served as the division's director for his last ten years.

We are very pleased that the key requirements for a centralized repository as described in this RFP have been developed as a result of broad based consensus of these Exploratory Committee members.

We believe that the current process where equivalency determination (ED) information is collected independently by each grantmaking organization, at considerable time and expense, is inefficient and needs to be improved. This is reinforced by NGO leaders' reports that they often asked to provide the same information over and over to multiple potential U.S. donors.

A centralized repository of non-U.S. NGO ED information would address these problems.

Core set of essential services. In order to ensure feasibility and sustainability of a centralized repository we must focus on offering the following core set of essential services.

- Provide step-by-step instructions, references and online tools to assist NGOs to successfully collect, prepare and submit all of the information that is required to be considered for ED status.
- Provide NGOs with help desk support via e-mail, phone, fax and other means as appropriate.
- To collect and review all submitted information and documents as being complete and up-to-date.
- Using all of the NGO's submitted information, make a good faith determination in accordance with current IRS regulations that the NGO is the equivalent of a U.S. public charity as specified in Revenue Procedure 92-94.
- To "seed" the repository by repository staff reviewing and certifying existing submitted ED information (either directly from the NGO or from the funder with each NGO's permission) that grantmaking staff and/or their consulting legal counsel have previously reviewed and recommended as meeting the repository's standard for equivalency.

- To enter all approved ED information into the repository, work with NGOs to maintain it up-to-date and make it available online to grantmakers that are repository members.

Why no expenditure responsibility (ER) services? An ER grant must be made on specified terms and conditions, which must be embodied in a written grant agreement with each granting organization. The grantee must provide appropriate reports on the use of grant funds; and the grantor must report the grant properly to the IRS with its annual tax return. As a result the Exploratory Committee determined that this is not a suitable service to be provide by a centralized repository.

However, a significant amount of the information collected for equivalency determination (ED) can also be used by grantmakers when determining equivalency via expenditure responsibility (ER).

Why not provide OFAC vetting services? The Exploratory Committee concluded that OFAC vetting services should not be provided by the repository for the following reasons:

- Because OFAC vetting is not an IRS requirement for equivalency determination the IRS officials that we met with in September 2007 recommended that OFAC vetting not be included a private letter ruling to establish a centralized repository of NGO information.
- Grantmakers report that their risk assessment standards vary considerably so agreement on a universal standard is unlikely. In addition, each grantmaker's program staff members are in a better position to research, determine, and decide on false positives than repository staff.
- ED is reviewed annually and OFAC checking is typically done prior to each payment.

Guidance from the IRS and Next Steps

In September 2007 representatives of the Council on Foundations, Independent Sector, and the Foundation Center, as well as the Kellogg, Rockefeller and GE foundations, met with officials of the IRS Exempt Organizations Division to discuss the Centralized Repository Project.

The participants explored operational and legal issues related to establishing a centralized repository of information on foreign non-governmental organizations. Such a repository could help grantmakers in making equivalency determinations of foreign grantees. The discussion focused on how the repository would work and how it might be sustained.

The IRS representatives raised no objections to the project and indicated a willingness to review a more detailed plan for the repository at the appropriate time. They also noted that they had envisioned creating such a repository when Revenue Procedure 92-94 was issued 15 years ago to describe how a grantmaker might craft an affidavit to establish equivalency for a foreign grantee. IRS officials indicated that, should the agency approve the repository, grantmakers could rely on the equivalency determination information stored there. The officials also said they would consider various means of communicating that fact to grantmakers.

Seeking approval from the IRS

Once a repository host organization is selected the project Advisory Committee and legal counsel will work with the selected host organization to determine the preferred approach to get IRS approval which could be one of the following:

- Letter ruling for an existing 501(c)(3) organization
- Application to establish a new 501(c)(3) organization
- Seek a general information letter

In the process of seeking approval, the host repository organization will also be provided with legal assistance to obtain:

- Approval of the repository's ED standards and operational procedures
- Approval of "Good faith determination" of equivalency using the repository's standards by repository staff can be used on behalf of individual grantmakers

Seeking answers to key questions

We will also work with the selected host repository organization to seek clarification from legal counsel and the IRS on the following key questions:

- **Secondary source of information.** Acceptability of grantmaking organizations use of a centralized repository as a certified source of information.
- **Operational procedures.** Description of the specific procedures to receive, review, approve, and maintain NGO submitted content.
- **Methods of certification.** Clarification on which of many different electronic methods of receiving information from an NGO officer will be acceptable.

- **No need for information verification.** The repository only needs to request an affidavit from an NGO's officer stating that their ED information is complete and accurate. Neither a repository nor a funder is required to verify this information.
- **Annual updating.** Submission of new or updated ED information by an NGO could be done at any time within 12 months prior to a grant being made.
- **Repository certification.** Establishment of an official repository certificate that could be used in lieu of downloading copies of all information and copies of original documents (although this option would also be provided).
- **EDs for new NGOs.** How can equivalency be granted to an international organization that has been in existence less than 4 years?
- **Special case NGOs.** How can we determine equivalency of a tribal unit and other unanticipated organizational units?
- **NGO dissolution provision.** How do we handle the lack of dissolution provisions in organizing documents that are not required by local laws? (e.g. Oxford University)
- **Racial discrimination.** Are racial discrimination statements still required of all international nonprofits since this was originally intended for South African NGOs during apartheid?
- **Affidavits.** Is the repository required to seek affidavits for per se organizations such as educational and religious institutions and hospitals that are by their very nature considered public charities and do not have to meet any further test?
- **GAP financial reporting.** Exactly how should NGOs translate their financial information to meet the GAP standard?

Repository Host Organization, Governance and Startup Funding

The repository host organization. The repository host organization would have the option to partner with other qualified organizations (either nonprofit or for profit), as an affiliate or subcontractor with complementary expertise and resources to provide the complete set of required services to implement the repository and deliver all of the necessary services.

The particular strengths and type of the host and potential partner organizations would be a key factor in the selection by the Advisory Committee and may also increase the likelihood of approval by the IRS.

The selected repository host organization would then, with the Advisory Committee's assistance, seek the necessary IRS approval.

Governance. When established, the repository will be managed by a repository governing body and advisory panel representing the member organizations. The particulars of this will need to be determined.

Startup funding. The project Advisory Committee will work with the selected repository host organization to seek grants for startup funding for the repository's development and implementation of sustainable operational systems and services.

Scope of Work

The repository host organization must provide a comprehensive set of services to design, develop, implement and host the repository, and then operate it on an ongoing basis. This will include but not be limited to:

- System development and ongoing operational **management**
- **Selection, hiring and training** of highly qualified staff, legal counsel and consultants
- **System requirement refinement, design and development**
- **Development and testing** (usability and QA) of **integrated Web-based systems** that meet all of the requirements specified in this RFP
- **Web site** creation in English with selected sections in foreign languages and then maintaining the site up-to-date
- Ongoing awareness of current **IRS regulations and nonprofit law in foreign countries**
- Development and documentation of **operational workflows and procedures**
- Management of all **repository operations and controls to ensure adherence to all standards**
- Review of all submitted ED information and **determination if it meets all U.S. Treasury Department and repository requirements**
- NGO and member **support services**
- **Budget management** plus tracking and collection of membership subscriptions and fees for services
- Assisting in annual **independent repository audit and addressing recommendations**
- Development and maintenance of system technical **documentation**
- System hosting, security and 24x7 support to assure a **high level of performance and availability**

As described in detail in the next section of this RFP, a substantial amount of work has already been done to describe and document the repository requirements.

We anticipate that this will reduce a repository host organization's cost of helping us to analyze and clarify our needs. We look forward to your reflecting this in your proposal and the overall project cost.

Repository Requirements

The repository will need to adhere to a set of agreed upon repository standards and provide all of the capabilities and services as described below.

Equivalency Determination Information

Capability/Function	Description
1. NGO organization information	REQUIRED FIELDS
	▪ Legal organization name in English
	▪ Legal organization name in native language
	▪ AKA name(s)
	▪ Name, contact information, and relationship if the NGO is controlled by another entity
	▪ HQ address, phone, fax, e-mail address
	▪ Field office address(es), phone(s), fax(es), e-mail address(es)
	▪ Population(s) served
	▪ List of all U.S. and non-U.S. funders by type (e.g., government, foundation, corporate) specifying which are public and private)
	▪ Annual revenue
	OPTIONAL INFORMATION
	▪ List of affiliates and subcontractors
	▪ Web site address (if available)
	▪ Geographic areas in which the organization conducts activities
▪ Type of legal entity under local/national law	
▪ Tax status and nonprofit registration number if available in a foreign country (<i>a searchable data field entry in addition to a copy of the supporting document</i>)	
▪ Information about prior and current grants (not pledges)	
– Funder name (if allowable)	
– Amount(s) of grant	
– Purpose	
– Year of grant(s)	
2. Contact information	REQUIRED
	▪ Affidavit signer
	▪ Submitter of ED information
	OPTIONAL
	▪ Names of officers Names of trustees/board members

- 3. Copies of up-to-date documents required for equivalency determination (ED)**
- The following documents will be submitted by the NGO in either hardcopy, fax, word processing document, fax to file image, or scanned image formats.
- Detailed description of the NGO’s purpose and principal activities both past and proposed
 - Organizing documents (e.g., articles of incorporation, constitution, charter certificate of incorporation, internal governing rules, and description of how assets will be distributed if operations cease)
 - Dated copy of nonprofit registration and number in its own country (if available)
 - Affidavit for Equivalency Determination (including support documents such as references to local laws or governing rules that prohibit assets or income being provided to individuals, for propaganda, lobbying, or other political activities)
 - Copies of in-country legal decisions concerning the NGO’s nonprofit status (if applicable)
 - Nondiscrimination policy for schools (to include evidence of satisfaction of publicity for private schools)
 - Completed financial support schedule – 4 years if the NGO has been in operation that long. If the NGO has been in operation less than 4 years then all available years
 - Detailed financial statements for prior years - preferably audited (if available)
- 4. Repository NGO ID number**
- To be assigned by the repository and used by all NGOs and grantmakers.
- 5. NGO submission of ED information**
- The primary means of receiving ED information will be directly from NGO officers. This information will need to be reviewed and updated annually to ensure that it is current.
- 6. “Seeding” the repository without grantmaker risk**
- With the permission of each NGO, selected funders and existing philanthropic service providers could submit existing copies of the NGO’s organization and contact information and equivalency determination documents to the central repository.
- This information would then be classified in a pending status for the NGO to review, update, provide additional information as required to meet the repository’s standards, and for an authorized NGO officer to then certify that all of the information is complete, accurate and up-to-date.
- Once this is accomplished the NGO would then be responsible for maintaining this information up-to-date on an ongoing basis.
- 7. Foreign language translations**
- The repository will identify and maintain an up-to-date online list of foreign language translators as a resource for both NGOs and grantmakers.
- 8. Annual NGO information review and updating**
- Each NGO will be required to review and update its ED information annually (or acknowledge that is up-to-date) on the anniversary of its initial publication date in the repository. NGO ED records that were previously approved but are now out of date will be clearly identified.
- NOTE: We recognize that many NGOs may not opt to do this until their next proposal submission.*

Portal Design and Features

Capability/Function	Description
1. Secure Web-based portal	Secure password protected Web-based portal that enables authorized NGO officers to enter and maintain up-to-date information in the repository database about their organizations.
2. Easy-to-user interface	An intuitive easy-to-use interface is required to facilitate use and minimize support requirements.
3. Extensive Web-based help	<p>Onscreen and printable descriptions of U.S. nonprofit equivalency requirements and repository policies in the most common NGO languages (e.g. English, Spanish, Portuguese, French and others TBD based on frequency and member support). All portal content should be carefully written for non-English native speakers and assume that site users know nothing about U.S. nonprofit equivalency laws and regulations.</p> <ul style="list-style-type: none">▪ Clear explanation of non-profit ED eligibility regulations and requirements▪ Step-by-step instructions, templates, and extensive samples of completed required documents with instructions in the most common languages▪ FAQs - Frequently Asked Questions in multiple languages (updated regularly)▪ Maintain a glossary of terms concerning ED and U.S. Treasury Department requirements▪ NGO repository guidelines concerning operations and use of information▪ Clearly specified descriptions of what services and information the repository will and will not provide
4. Saving and viewing draft information	The system will be designed to permit draft work to be saved and viewed by the authorized NGO representative repository staff prior to submission.
5. Regular saving of data	Regular saving of entered portal data so that information is not lost when users encounter interruptions in Internet connectivity.
6. Fax to image	The system will have the capability for NGOs to send faxes of key documents that will be automatically converted into PDF format for subsequent review by the repository staff and inclusion in the NGO's repository record.
7. Online financial reporting	Online Web-based tool with step-by-step instructions in multiple supported languages to create and maintain up-to-date financial reports in a standard format with the capability for the grantseeker to automatically convert foreign currencies to \$US.
8. Reference links	Provide a link to the USIG website's Country Information section that contains up to date information maintained by the International Center for Nonprofit Law . Links to other references will be provided too.
9. ED status classification	<p>Classify, display, and enable searching of NGO information by the following:</p> <ul style="list-style-type: none">▪ Currently meets all U.S. ED requirements▪ ED review is in progress▪ Does not currently meet ED requirements <p>A checklist of all requirements will be displayed onscreen indicating which were:</p> <ul style="list-style-type: none">— Not submitted

- Submitted but incomplete
- Reviewed and found not to meet ED requirements with reasons
- Previously met ED requirements but some information is no longer current and needs to be reviewed and updated by the NGO

The system will also display when the information was last updated and reviewed by the NGO and the next time that this will be required.

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| 10. Search capability | Flexible and powerful searching and reporting capability to include but not be limited to: <ul style="list-style-type: none"> ▪ NGO Name ▪ Name of controlling entity ▪ AKA name(s) ▪ Repository NGO ID number ▪ Nonprofit registration number in home country ▪ Country ▪ Population(s) served ▪ Geographic areas in which the organization conducts activities ▪ Funder name(s) |
| 11. Onscreen display of ED submission process steps | Clear onscreen display of all steps in the ED submission process and where the user is at this time. |
| 12. Notes field | Internal notes field for use by repository staff to track e-mail, calls etc. |
| 13. Workflow management | The system will have built-in workflow capability that enables repository staff to track ED requests and assign status from initial submission through review and certification. |
| 14. Multi-user review and approval | Selected repository staff can be granted rights to upload and classify NGO submitted content. Others can then have separate levels of rights to review, approve and certify content that meets ED requirements. |
| 15. Grantmaker downloading of NGO ED information | Capability for repository members to view and download a dated repository statement of ED compliance and/or copies of all of the latest NGO information including document images via the Internet in an agreed upon standard format (e.g. XML, PDF). |
| 16. Automatic e-mail and batch fax notification to NGOs | Automatic e-mail and batch fax notification to multiple contacts at each NGO 60 and 30 days before their repository 12 month review/renewal status of organization and contact information, and also after it has expired. Each NGOs public record and login screen will clearly display if the information is up-to-date. |
| 17. Automatic e-mail reminders and notification to repository members | The repository's online system will be designed to identify key changes in NGO ED information and automatically notify requesting repository members via e-mail when this occurs. This could include but not be limited to such things as: <ul style="list-style-type: none"> ▪ 30 days in advance of repository ED certification expiring for an NGO ▪ When there is any change in ED certification status ▪ When an NGO's support level falls below 33.3% |
| 18. Accessibility | Portal design that meets accessibility requirements in the U.S. Canada, Europe and in other countries as they emerge. This is required to ensure accessibility for users with special needs. These may include U.S. Section 508, EU accessibility |

standards and W3C accessibility standards.

19. Online history

Viewable history and audit trail of updates to the NGO's published information.

20. Hyperlink to NGO information in national repositories

Built-in hyperlinks from individual NGO records to national repositories of NGO information such the Canadian Revenue Agency <http://www.cra-arc.gc.ca/ebci/haip/srch/sec/SrchLogin-e?login=true&searchType=Registered>

For example the Canadian Red Cross' nonprofit Registration Number is 119219814RR0001 and this can be linked to directly by using the following URL <http://www.cra-arc.gc.ca/ebci/haip/srch/sec/SrchInput03Render-e?bn=119219814RR0001>

Operational Procedures

Capability/Function

Description

1. Acceptance of documents in multiple formats

Documents that NGOs don't have in electronic format will be sent to the repository via fax or in hardcopy for scanning and conversion to digital format and uploading by repository staff.

2. Responding to questions

Repository staff (and consultants) with multi-language skills will answer questions promptly by e-mail, fax, and/or phone using low-cost Voice Over IP (VOIP) Internet connection for international calls.

3. ED processing speed

The repository staff will begin the review of submitted ED documents within one week of receipt. The repository will offer expedited processing services at an additional expense to requesting grantmakers.

4. Addressing out of date, incomplete, inaccurate, inconsistent and false ED information

The repository must develop and use a comprehensive online checklist when reviewing all ED document to ensure that all required information is provided, tracked and that it is consistent and cross-checked.

Whenever an information issue is identified the repository staff must immediately document this and communicate with the NGO contacts to get the issue(s) resolved.

If an NGO cannot meet the ED requirements then the repository staff must notify the prospective funder(s) ASAP so that the program officer(s) can consider alternatives such as an expenditure responsibility (ER) grant.

The repository will develop and use a set of standard non-pejorative descriptions to classify and publish the status of an NGO's ED record after initial certification and when it has changed to a non-certified status.

This could include but not be limited to the following routine and exceptional events as:

- ED information is no longer up-to-date
- Updated ED documents have been submitted and are pending review by the repository
- ED information is currently incomplete
- The NGO has been reported and confirmed by repository staff to have submitted false documents or has been charged with some illegalities

Since in most cases funders program staff may be more aware of problems than repository staff, repository members will be encouraged, but not required to advise the repository staff when they become aware of reported false documents or illegalities.

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|-------------------------------------|--|
| 5. Operational documentation | Development and maintenance of comprehensive up-to-date system documentation that includes the operational workflow and each staff member's duties and responsibilities. |
| 6. Annual audits | Independent annual audits will be conducted and cover finances, operations, data completeness and accuracy, plus information and system security. |

Staffing

Capability/Function

Description

1. Repository staff

The repository staff and consultants must:

- have experience reviewing and processing equivalency determination documents.
- be knowledgeable about IRS and related U.S. Treasury Department regulations and nonprofit law in different countries.
- have multi-language skills.
- have experience developing online systems appropriate for use by users who are not native English speakers.

Technical support staff must have the necessary experience and technical training to ensure a high level of system performance, reliability and security.

2. Legal counsel

The repository staff will require regular access to either internal or outside legal counsel with expertise in international NGOs and nonprofit law to consult with on an as-needed basis.

Services

Capability/Function

Description

1. User support

Repository staff must be available to provide help desk support to NGOs worldwide in their local time zones. This will include helping NGO staff who may have a limited grasp of English and/or U.S. business/accounting practices.

2. Technical assistance to NGOs

Repository staff will be available to answer clarifying questions about ED requirement and the submission process.

3. System upgrade and migration services

Repository operational and technical staff will provide all of the necessary services to either upgrade the system or migrate it to an alternative platform in the future. This will include but not be limited to all programs, information stored in databases, documents, and images.

Technical System Requirements

Capability/Function	Description
1. Data center	Hosted system in an enterprise-class data center with: <ul style="list-style-type: none">▪ Scalability and excellent performance through the use of load-balanced server hardware▪ High level of hardware redundancy to ensure system reliability▪ High speed Internet access and redundancy to Tier 1 Internet providers▪ Up-to-date virus scanning of all systems and uploaded files with auto-notification to the user and repository staff if a file contains a virus▪ Regularly scheduled maintenance, system troubleshooting and speedy problem resolution▪ Daily backups with secure on and off site data storage▪ Data center cooling and fire protection / suppression systems.▪ High level of firewall security▪ UPS battery backup with power generator for failover▪ 24x7 server, environmental, intrusion detection with monitoring and alerting of staff on call to troubleshoot and resolve all problems▪ Shared Secure Socket Layer (SSL) digital certificate▪ High level of physical security▪ Up-to-date and tested disaster recovery plan
2. Required unique ID and password	The system must require a unique user ID and password combination for each authorized user.
3. Forgotten user ID or password	If a user forgets their user ID or password they can enter their e-mail address and the system will send the password directly to them.
4. Password change	The system must allow users to change their individual passwords.
5. Administrator password reset	The system administrator must have the ability to reset passwords for users in the event that the users have forgotten their password.
6. Concurrent users	The systems will be able to accommodate up to 100 concurrent users and be readily scalable as required.
7. Response time	Assuming 100 concurrent system users and no significant additional Internet traffic running on a dedicated Web server over T-1 lines response time for all Web page and database access will be less than 5 seconds 90% of the time and less than 7 seconds 100% of the time
8. Volume of records and files	Will be able to accommodate the following at startup with the capability to expand as required: <ul style="list-style-type: none">▪ 100,000 different NGO organizations▪ 40 contacts per organization▪ 20 attached documents per organization
9. Support of low bandwidth connections	The system will be designed and tested to provide very good performance using low bandwidth dial-up connections.
10. Browser support	Fully tested portal access using the latest released and two prior versions of the most commonly used browsers for Windows PCs and Macintosh computers. (currently Internet Explorer, Firefox and Safari) in each browser's <i>default configuration</i> mode.

11. Internationalization	The systems will provide state-of-the-art internationalization and localization capability that will include but not be limited to: full Unicode support, language and font independence, and currency independence. This will apply to all displays, printing, indexing, and searching.
12. Platform and device independence	The system will be designed to be platform and device independent to include but not be limited to support of Windows, Macintosh, and Linux PCs plus handheld cellular devices.
13. Page printing	The complete contents of all Web screens will print clearly and completely in portrait mode using the default setting of all supported browsers.
14. Non-proprietary database format	All repository data will be stored in an industry standard non-proprietary database file format.
15. Relational database	The repository database will use the most current version of a state-of-the-art, industry-standard relational database.
16. Termination of idle session	The system must provide the ability to terminate an idle session by logging off the user session after a pre-specified period of time.
17. Viewability	All screens will be designed so that all text and graphics are viewable by browser users in 1024 x 768 video mode or higher resolutions.
18. Metatags and geocoding	Database fields will be provided for metatags and geocoding (lat-long) of all NGO records to permit the searching and presentation of data in multiple formats.
19. Mapping and mashups	The system will have the capability to create international maps and mashups (layered data) displaying both NGO and external data as may be required.
20. API and interoperability with other systems	Use of Web Services, .NET standards, RSS, and an open API to enable interoperability with other systems. Data will be structured in XML format.
21. Links to commercial grants management and employee giving systems	Integration with the most popular commercial grants management and employee giving systems to enable: <ul style="list-style-type: none"> ▪ Semi or fully automated downloading of NGO ED information to grantmaker and philanthropic service provider systems as a single file ▪ One-click access by members using their commercial or custom systems to access an NGO's repository record
22. Error messages in plain English	All error messages will be in simple plain English (not technical terms) and describe what the user needs to do to use the function.
23. Link checking	Automated internal and external link checking for repository staff to facilitate site maintenance.
24. Usage tracking	Web site usage statistics and analysis to determine frequency and type of access of different sections, links and repository records on the portal site.
25. Audit capability	System capabilities to enable annual operational and security audits of the repository to ensure that all agreed-upon standards are being met.
26. System technical documentation	Development and maintenance of comprehensive up-to-date system technical documentation.
27. Source code	Open source and proprietary system code will clearly identified. The latest version of all source code and associated programs will be maintained in escrow and available for repository use at no charge in the event that the contracting organization does not continue to serve as the repository host.
28. Guaranteed system availability	Service level agreement that requires 24x7 monitoring and technical support with a minimum of 99.5% of scheduled availability (up to 3.6 hours downtime per month, 50 minutes downtime per week).

Services that will Not be Provided

The following services will NOT be provided by the repository.

1. **No verification of English translations** of submitted documents since this is not required by the U.S. Treasury department.
2. **No OFAC compliance vetting** because it is not a requirement of equivalency determination. In addition grantmaker program officers typically have first hand knowledge of the NGO and their staff and are consequently much better qualified to conduct due diligence OFAC vetting than repository staff.
3. No acknowledgement via a **statement that the NGO does not and will not support terrorist activities** due to the wide variability of standards used by grantmakers.
4. **No independent in-country audits and site visit reports** that substantiate ED information since this is not required by the U.S. Treasury department.

Volume Estimates

In this section we have attempted to provide an estimate of volumes to enable respondents to this RFP to determine the level of resources necessary to provide all of the required repository services. These estimates are based in survey feedback from Exploratory Committee members.

We have described the basis for our estimates and look forward to monitoring actual volume after the repository commences operations.

Basis for Estimates

We have used our 2006 international grantmaker and philanthropic service provider survey results to make projections of repository volume.

- 79 U.S. international grantmaker survey respondents
- The 79 international grantmakers made a total of **7,205 direct grants** to NGOs in 2006 of which relatively few were reported being made to the same NGO
- 31% of the grants were ED only and 48% were both ED & ER (so let's assume that ½ or 24% of these were ED) then **~55% of all grants (3,962) = ED**
- **45%** (36) of survey respondents responded Strongly Agree or Agree to "*We would probably become a member of the repository and use it instead of our existing non-U.S. based NGO vetting process.*"
- **~1,783** (3,962 / 45%) ED grants were made by **~36 grantmakers** that Strongly Agree or Agree = **~50 ED (1,783 / 36) grants per grantmaker per year**
- All surveyed philanthropic service providers that either Agree or Strongly Agree that "*We would probably become a member of the repository and use it instead of our existing non-U.S. based NGO vetting process.*" processed an estimated **250 grants to different non-U.S based NGOs** in 2005. They also estimated a 10% annual growth rate of international grants.

One philanthropic service provider that answered "Don't know" to becoming a member of the repository makes 600 grants annually to different NGOs.

- Members of the Exploratory Committee were polled to develop volume estimates for startup seeding and ongoing operations.

Our Best Estimates

Startup Phase	Estimate
Digital seeding. Estimated number of existing NGO’s ED records to be submitted by Exploratory Committee members in DIGITAL format at startup for “seeding”.	800 NGOs x ~7 documents each = 5,600 documents
Print seeding. Estimated number of existing NGO ED records to be submitted by Exploratory Committee members in PRINT format at startup for “seeding”.	150 NGOs x ~7 documents each = 1,500 documents
Launch partner members. Estimated number of launch partner repository members at startup.	10
Ongoing Operations with Launch Partner	
New ED requests annually. Estimated number of new NGO ED requests annually by startup repository members and non-members.	250
<i>(This is based on startup member projections and assumes that other international grantmakers to join the repository will have smaller budgets and will make requests for ED review at 33% of the rate of startup members)</i>	
Renewal grants. Estimated percent of multi-year and renewal grants made by a grantmaker to the same NGO each year.	225
Membership growth rate. Estimated number of new repository members after first year.	TBD
	Must be controlled to ensure continuing high quality and turnaround

Unknowns. How typical will the repository launch members be of all survey reporting international grantmakers and Exploratory Committee members? It will be very interesting to see how close these estimates compare with actual practice.

Hosting Organization Qualifications

Repository host organizations may either be a single organization or partner organizations with complementary strengths. However the repository host organization must be contractually responsible for all aspects of the repository development and ongoing operations.

Qualified repository host organizations will have all of the following characteristics and capabilities:

1. **Well managed** organization respected by U.S. grantmakers as a **credible** source of information
2. **Financially sustainable**
3. **Long term commitment** to developing and maintaining a repository for a minimum of 3 years
4. Hosting an NGO repository is a **good fit** with the organization's mission and business mode
5. **Sound operational procedures and strong internal controls** to ensure that all repository standards will be met
6. Track record of **annual financial and operational audits with positive findings**
7. **Project management team with expertise and experience** in designing and managing similar systems
8. **Demonstrated expertise** in successfully implementing and providing ongoing support of an information repository
9. Understanding and demonstrated **expertise assisting international NGOs to achieve equivalency determination**
10. **Experience with grantmakers and nonprofit organizations** (U.S. nonprofits and preferably international NGOs too)
11. Expertise designing and implementing **Web-based information systems** that meet the requirements specified in this RFP using the latest generation of proven technologies and designing **intuitive user interfaces**
12. Technical expertise designing systems that are scalable to **accommodate a high volume** of use and accessible to users with **low bandwidth Internet communications**
13. Experience designing sites that are compliant with guidelines for **accessibility** by handicapped users
14. Track record of providing **speedy and responsive support** with a high level of user satisfaction
15. Track record of delivering systems which are **extremely reliable and on-time**
16. Hosting service in an enterprise class data center that has staff on call 24/7 to ensure a **high level of system availability**
17. **Cost effective** operations

The Proposal and Business Plan

Content and Format

We invite proposals in the form of a basic business plan that will describe the hosting organization's qualifications to design, develop, operate and provide all of the necessary services to sustain a successful repository of information on non-U.S. based NGOs.

Please include all of the following information in your proposal both in Adobe Acrobat PDF format and in revisable Microsoft Word and/or Excel formats in the following section order.

1. **Executive summary.** Executive summary containing a brief description of your approach to implementing and supporting the repository.
2. **Repository host organization background.** Please provide the following background information:
 - When the repository host organization and partner organization(s) were established
 - Total number of staff for each organization
 - Description of existing repository services, number and types of users, volume of online records, and site usage
 - Description of relevant experience collecting information and conducting due diligence of nonprofit organizations to determine if they meet IRS requirements for public charity status
3. **Qualifications.** A description of your organization's (including partner organizations as appropriate) particular qualifications to meet all of the stated repository's requirements.
4. **Partner relationships** (if applicable). Description and duration of all partners and sub-contractors relationships and their specific roles in developing, managing, and administering the repository. Please describe who you have chosen as a partner and why.
5. **Service description.** In this section please describe in detail your ability to deliver all of the systems and services described in the Repository Requirements section of this RFP. Please clearly identify any that you think that you may not be able to fully meet.

How similar are the repository service to the services that you're providing today? In what particular ways are they different? Please also explain how your current services and the NGO information repository fit together or complement each other.

6. **Existing online information repository services** (if applicable) . Please provide a demonstration account and access (URL, login ID + password) to your existing online repository service if you are proposing that it be expanded and enhanced to meet all of the NGO repository's requirements.
7. **Research and development.** Please describe if you currently have all of the necessary system software to meet the NGO repository's requirements. Can this be easily expanded and adapted? Please describe how you will develop scalable systems to meet all of the repository's current and future requirements, especially those concerning internationalization.

What specific R&D efforts will be required to meet all of the requirements and how much do you estimate that this will cost? How much will need to be budgeted for ongoing R&D?

8. **Operations and Quality of Service (QoS).** Describe how you will design and implement an efficient operational workflow and provide a high Quality of Service (QoS) to ensure that all repository ED standards are consistently met. How will data be protected and audit trails ensured?

Please also discuss daily operations and physical space requirements. What equipment, software licenses, data and voice communications services, security, and all other things will you require? Will you be using existing Web and database servers, will these need to be purchased, or will you be contracting with another company to provide and host this infrastructure?

9. **Management team and staff.** Who will be responsible for managing the repository startup and the repository's ongoing operations? What is their direct operational and managerial experience and expertise with this type of operation? Who will be responsible for what and who will be responsible for final decisions?

Please provide a description of the experience, tenure and RFP specific qualifications of the proposed staff that would be responsible for designing, developing and managing the repository. What experience does this individual have working with and managing partner organizations and outsourced developers (if appropriate to your proposal).

This needs to include but not be limited to:

- Repository manager
- System developers
- Due diligence specialists with international grantmaking expertise
- Legal counsel with expertise in international grantmaking, IRS regulations and country-specific nonprofit law

NOTE: As previously described, staff may be either in-house full time employees or consultants hired on a contractual basis by the repository host or partner organization

Please describe if at startup the staff will have all of the required expertise and experience in international grantmaking and equivalency determination, or will they need to be trained and how? Please be sure to include projected salary, benefit and consulting fee information in the financial projections.

10. **Project plan and timeline.** In this section, please provide a basic project plan with project phases, milestones and a realistic timeline. When developing this timetable consider how long it has taken other organizations to do similar things.
11. **Client and organization references.** Provide a list of all clients with reference names and contact information. Please identify three clients that your repository project team members have worked with on projects that are most similar to the NGO repository. Please indicate which team members worked on each project, in what capacity, and when.
12. **Efficiency and cost saving.** How do you propose to keep costs down to provide savings that will attract grantmakers to use the repository? How will you implement agile technologies that will enable efficiency gains in the future? How will operational procedures and workflow be implemented to ensure efficiencies?

13. **Repository membership fees and other income to cover expenses.** What do you propose as the fee schedule for repository services so that it will cover operational costs and ensure sustainability? This may include but not be limited to:

- Annual or multi-year repository membership fees - if and how they will be determined and if they will be based on an appropriate sliding scale
- Variable fees that may be based on such things as transaction volume, level of effort required to vet the NGO, and if multiple grantmakers can share the cost of processing the same NGO's ED information
- A possible differential fee structure for repository non-members if they can contract for selected repository services

You may want to review and consider the fee schedules of other information repositories and service providers as the basis for determining this.

How will you track the services that each member uses, calculate all fixed, variable and transaction fees, produce invoices, and receive payments? What methods of payment will be accepted (e.g. check, electronic fund transfer, credit card)? Will online transactions be encrypted?

14. **Financial projections.** The proposal reviewers and potential repository startup donors will pay close attention to this section since it's a forecast of the repository's financial sustainability.

Please provide a line item budget that describes the projected *all-inclusive one-time startup and seeding costs plus all ongoing costs* for the system design, development training, hosting, user NGO and member support services, equivalency determination, and all expenses to maintain the repository on an ongoing basis. Please be sure to itemize and fully describe all variable costs and how these are calculated. *Clearly identify all assumptions.*

Please include five year projections for the following three scenarios:

- One should be based on the most likely course you think that the repository will take
- A second weak scenario with membership and revenues coming in well under expectation
- A third good scenario with projected membership and revenues well over expectation

NOTE: You may use the "Potential of Creating a Centralized Repository of Information on Non-U.S. Based NGOs Findings and Recommendations - December 2006" and survey results at <http://www.iaa.com/NGORepositoryFeasibilityStudyReport.html> plus the volume estimates in this RFP as the basis for your projections.

ADVANCED BUSINESS/FINANCIAL PLANNING ASSISTANCE: We recognize how important a solid business plan will be for the overall success of the repository and to secure the necessary startup funding. As a result, we will provide the selected repository host organization with an appropriate level of advanced business/financial planning consulting expertise to develop a more in-depth business plan and financial projections. The information you provide in this proposal will be used to select the repository host organization and also serve as the basis for advanced planning. So please make sure that it is as complete as possible.

15. **Risks.** Please identify the major risks facing the development and operation of the repository. How can each of these be monitored and what can be done to mitigate them?
16. **Resources.** Please describe resources that are currently available to your organization and any new ones that may need to be engaged such as: insurance broker(s), lawyer, accountant, auditor, security specialist, consulting group(s), Board of Directors, and banker.
17. **Repository service agreement (SLA).** Copy of a DRAFT proposed Service Level Agreement (SLA) for hosting the repository portal and providing all of the support services.

Clarifying Questions

All prospective repository host organizations are invited to submit clarifying questions via e-mail to Martin Schneiderman NGORepositoryRFP@iaa.com on or before 5 p.m. ET on Monday, April 21, 2008. All questions will then be compiled, answered, published online and shared with all organizations that are considering the submission of a proposal. The source of each question will not be identified.

An open meeting and conference call will then be held on Monday, May 12, 2008. At this meeting all prospective RFP respondents are invited to discuss the RFP with the project Advisory Committee and pose any additional clarifying questions.

Intent to Submit a Proposal

After all clarifying questions have been answered we would appreciate your notifying us if you intend to submit a proposal on or before 5 p.m. ET on Monday, May 19, 2008. Please do so by sending an e-mail to Martin Schneiderman at NGORepositoryRFP@iaa.com. We will confirm receipt of this notification.

Proposal Delivery and Project Timeframe

All proposals in response to this RFP must be received on or before 5 p.m. ET on Friday, June 20, 2008. Please send both PDF and editable versions (e.g. Word or Excel) of your proposal to Martin Schneiderman at NGORepositoryRFP@iaa.com.

Once the committee has reviewed the proposals we will identify finalists and schedule meetings and demonstrations as described below. We are looking forward to identifying and making a well informed decision about a host organization as soon as possible.

Presentation Requirements

Qualified host organization finalists will be invited to meet with the project Exploratory Committee in person in August 2008. At that time prospective host organizations will be asked to:

- Make a presentation describing your organization's particular qualifications to design, implement and host the repository
- Conduct an in-depth demonstration of similar systems that you have developed
- Describe how you plan to staff and manage the repository
- Answer our questions

Next Steps

Please contact us as soon as possible if you have any questions. We would like to do everything possible to ensure that your response is complete and that it highlights your organization's particular strengths.

Sincerely,

A handwritten signature in black ink that reads "Martin Schneiderman". The signature is written in a cursive, flowing style.

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