



Establishing a Centralized Repository of Equivalency Determination Information on Non-U.S. Based NGOs

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Our Challenges

- Current IRS regulations prohibit grantmakers from using another organization's "good faith determination".
- High duplication of effort and costs for both NGOs and grantmakers.
- No centralized database to determine if an NGO has been previously reviewed and has met ED requirements.
- No agreed upon standards for ED data collection and processing procedures. Many grantmakers greatly exceed IRS ED requirements "*just in case*".
- Difficulty communicating with and supporting NGOs in different languages and time zones.



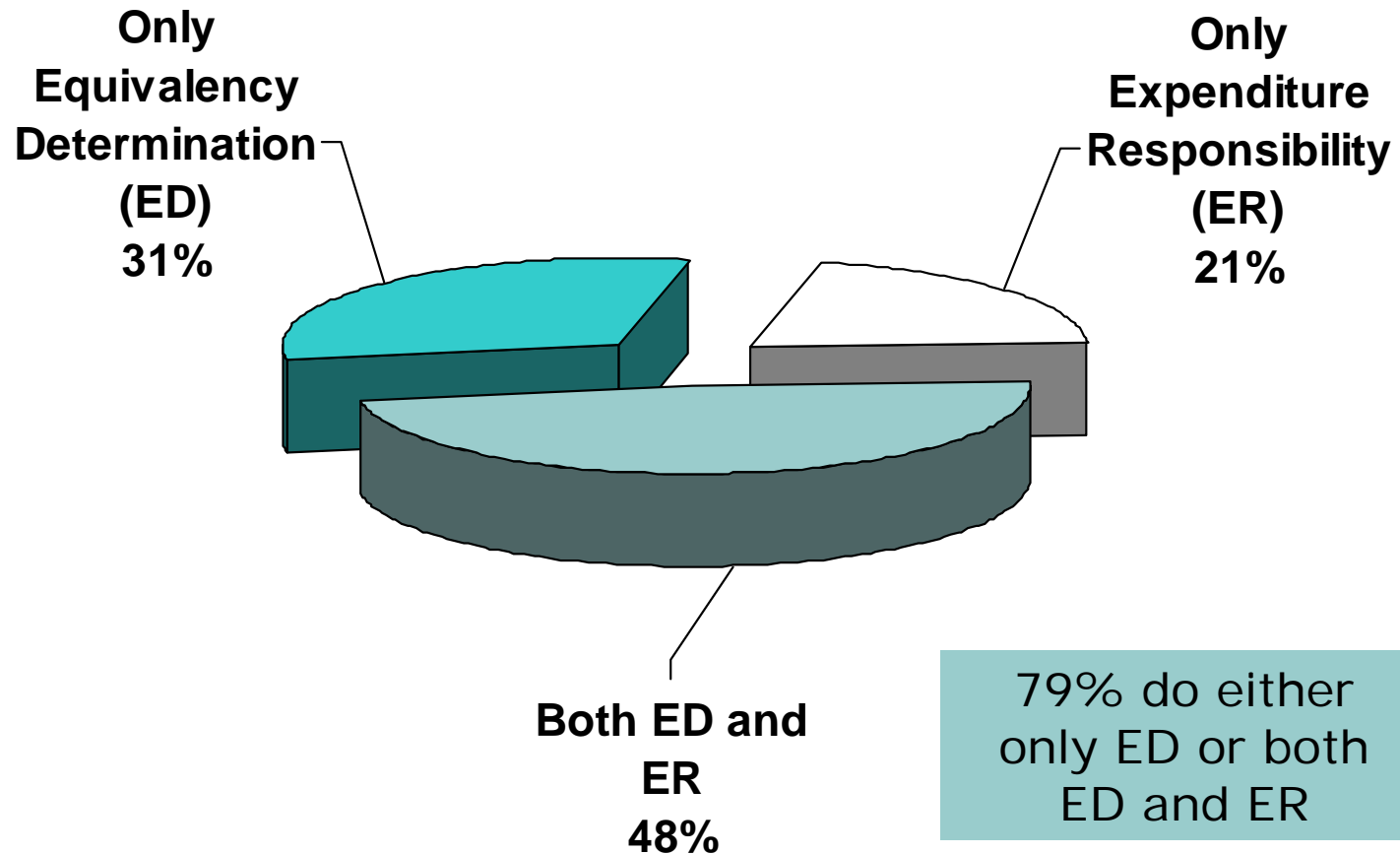
Survey the Field To Learn About Perceptions and Need

The survey results show strong support for a centralized information repository that could make the process of cross-border grantmaking more efficient and less onerous for U.S. funders as well as grant recipients.



At the same time, the survey respondents tempered their support with many questions about the feasibility, reliability and sustainability of such a repository.

Equivalency Determination is Broadly Used and Has the Potential for Sharing



Centralized Repository is Seen as a Significant Benefit

90% of NGO leaders

86% of grantmakers

75% of service providers agree that . . .

“The availability of a centralized repository containing up-to-date vetted nonprofit information would be a significant benefit.”



A Centralized Repository Would Streamline the Process

87% of NGO leaders

79% of grantmakers

75% of service providers agree that . . .

“The existence of a centralized repository would streamline the process of NGOs becoming eligible to receive grants.”



NGOs Prefer Central Reporting vs. Directly to Individual Grantmakers

86% of NGOs leaders report . . .

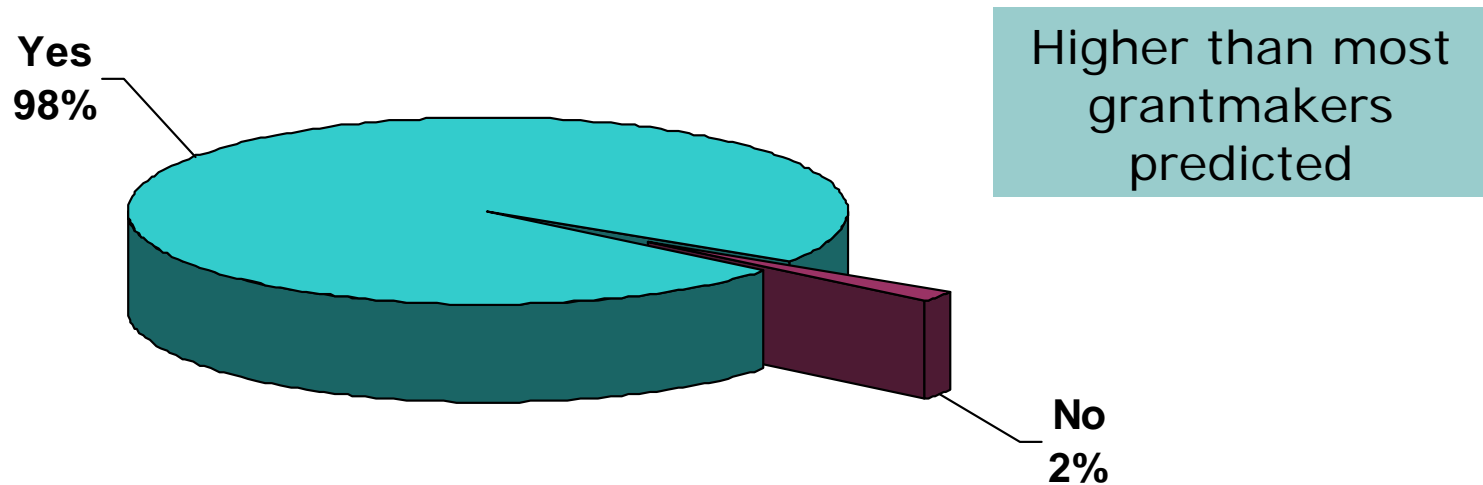
“We would prefer to submit our NGO information to a centralized repository rather than to each grantmaking organization individually.”



NGOs Agree to Provide Information to a Repository

- 98% of NGOs report . . .

"We would submit key information about our organization and officers to a central repository and keep it up-to-date."





Grantmakers Prefer an Experienced Non-profit to Host a Repository

Would definitely or might consider . . .

91% - U.S. based non-profit organization that currently serves as an online repository of NGO information



Assemble a Strong Team



Project Partners and Sponsors

- Four partner leadership organizations collaborating on the project



- Supporting Sponsors to Date





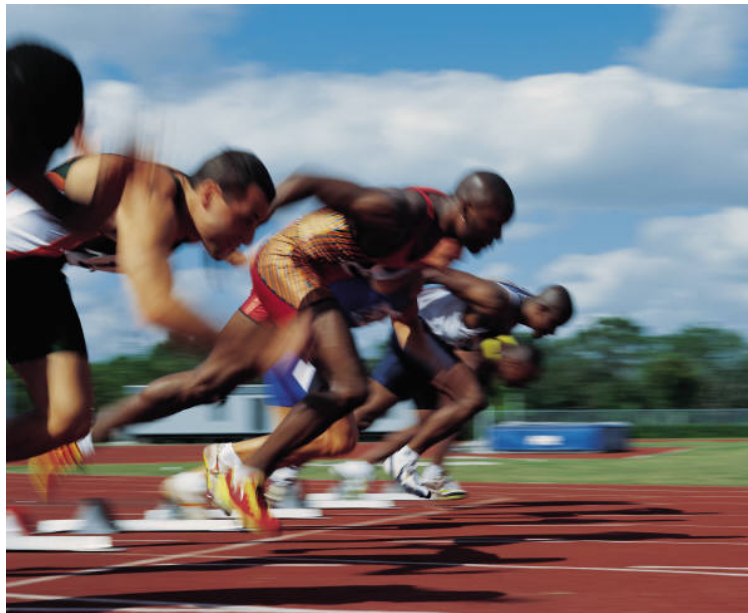
The Exploratory Committee

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

* = Original collaborating partner organizations

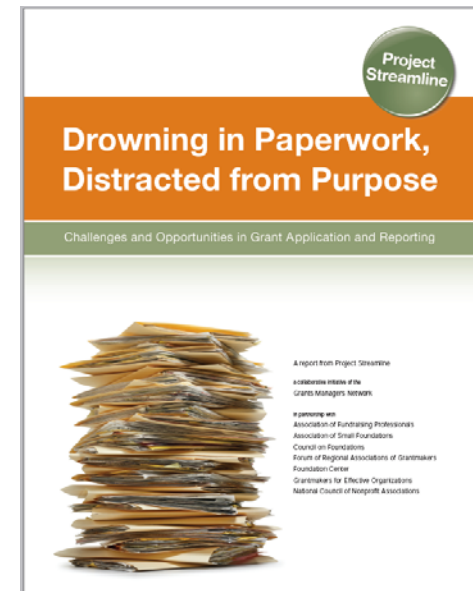
Exploratory Committee members that opted not to serve on the proposal Review Panel are *shown in italics* above

Off and Running



Streamline the ED Process

- Seek all of the necessary rulings from the IRS to establish a centralized Repository of NGO information that would enable international grantmakers to share and rely on EDs that are conducted by the Repository.
- Select and support a well qualified organization to establish and manage the Repository on a long term basis.



NGO Repository Project cited as a "Creative Approach" to streamlining international grantmaking

Getting a “Green Light” from the IRS

- The IRS representatives raised no objections and indicated a willingness to review a more detailed plan for the Repository at the appropriate time.
- The IRS envisioned creating just such a Repository when Revenue Procedure 92-94 was issued 15 years ago.
- IRS officials indicated that, should the agency approve the Repository, grantmakers could rely on the equivalency determination information stored there.



Develop Consensus on a Set of Essential Services for NGOs and Grantmakers

1. Provide step-by-step instructions, references and online tools in multiple languages to assist NGOs to successfully collect, prepare and submit all of the information required to be considered for ED status.
2. Provide NGOs with a high level of global support via e-mail, phone, computer, fax and other means.
3. Collect and review all submitted information and documents as being complete and up-to-date.



Develop Consensus on a Set of Essential Services for NGOs and Grantmakers

4. The Repository will make “good a 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.
5. Assist NGOs to maintain up-to-date information.
6. Provide grantmakers with up-to date information about the status of ED processing.
7. Make EDs easily downloadable into grants management systems.
8. Ensure that the Repository’s operation is sustainable and fee-based services are affordable.

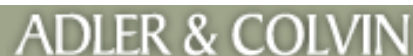


Identify and Select a Well Qualified Repository Host Organization

1. Provide detailed specifications for a Repository
2. Publicize and publish a Request for Proposal
3. Establish an independent Review Panel
4. Receive and review proposals
5. Identify finalists
6. Send follow-up questions
7. Interview key finalist staff and conduct site visits
8. Evaluate operational processes and information systems
9. Select the host organization and their supporting partners



TechSoup Global + Partners Selected to Host and Manage the Repository



For more information see www.iaa.com/ngorepository.html



techsoup G L O B A L Strengths

- TechSoup Global's core mission, strategic goals and direction of serving international grantmakers and NGOs worldwide is closely aligned with the purpose of the NGO Repository.
- Guided NGOs through eligibility processing and verified the legal charitable status of more than 120,000 organizations of which 16,500 are non-U.S. NGOs.
- Established network of 21 global partners (growing to 40 in 2009 and 60 by 2012) that have been specifically selected to assist NGOs to gather required information and documents for philanthropic vetting purposes.





Strengths

- Team with demonstrated expertise processing more than US\$1 billion worth of in-kind donations by 35 major U.S. corporate grantmakers.
- Existing workflow, processes, and integrated multi-lingual systems that are similar to the Repository's key requirements.
- Expanding staff to include full time internal legal counsel with expertise in international nonprofit law and IRS regulations.
- Potential for significant joint development for future systems enhancements to enable the Repository's sustainability.





Strengths

- Their legal partners Caplin & Drysdale and Alder & Colvin are highly respected for their experience and expertise in IRS relations and international nonprofit law.
- Developed and implemented a proven financially sustainable revenue generating business model for TechSoup's current operation.

TechSoup was awarded the grand prize in the 2003 Business Plan Competition for Nonprofit Organizations sponsored by these three organizations.



The Goldman Sachs Foundation

Our Next Steps for 2008 - 2009

- Identify synergies and revise the business/financial plan
- Finalize contract between COF and TechSoup Global
- Develop a proposal for startup funding
- Establish a broad-based funding collaborative and secure all the necessary monies for startup development
- Develop and submit a letter ruling request to the IRS in 1Q 2009
- Establish a Repository Board
- Begin Repository development





See the NGO Repository
Web site for up to date information

<http://www.iaa.com/ngorepository.html>