



## COUNCIL *on* FOUNDATIONS

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### **The Council on Foundations' Equivalency Determination Information Repository Receives IRS Advisory Committee Acknowledgement**

Arlington, VA -- The Council on Foundations and TechSoup Global, in partnership with the Foundation Center, Independent Sector and InterAction, are working to develop the comprehensive Equivalency Determination Information Repository (EDIR). This repository seeks to establish a more efficient system for qualifying foreign grantee organizations as the equivalents of U.S. public charities, one of the principal ways prescribed by the Internal Revenue Service for making cross-border grants.

Currently, in order to make an equivalency determination, a U.S. private foundation must go through a sometimes lengthy and expensive process of collecting copies of the prospective grantee's organizational documents, detailed description of purposes and activities past and present, financial data, and copies of relevant laws governing the organization in its own country relating to dissolution, personal benefit, political involvement and other issues. However, if another U.S. foundation wants to make a grant to the same foreign organization, it must go through the entire process again on its own. The repository project will help streamline this process.

"Global philanthropy has rapidly grown as grantmaking organizations increasingly focus on global issues. U.S. foundations' giving for global purposes is estimated to have reached a record \$5.4 billion in 2007," said Steve Gunderson, president and CEO of the Council on Foundations. "The Council, in collaboration with key partners, is creating the Equivalency Determination Information Repository to make global philanthropy much more efficient for U.S. foundations, so they can focus on promoting philanthropy and their missions."

Approval of the repository is currently being sought from the IRS by the Council and TechSoup Global. While a decision is not expected until later this year, the Advisory Committee on Tax Exempt and Government Entities for the IRS, in a set of recommendations issued on June 10, acknowledged the Council's and TechSoup Global's repository proposal and urged the IRS to give it high priority attention. Recommendation 1 specifically states:

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## **Recommendation 1: Equivalency Determinations–Repository Proposal**

*We encourage the IRS to facilitate formation of EDIRs which would make equivalency determinations in accordance with the requirements of Rev. Proc. 92-94 (as updated from time to time) and procedures approved by the IRS that could be relied on by other charities.*

*In furtherance of this recommendation, we encourage the IRS to give high priority attention to the proposal of the Council on Foundations and TechSoup Global and any other organization seeking to establish an EDIR. We have not reviewed this proposal and express no views regarding its merits. However, we believe that it presents an opportunity for the IRS to develop standards for EDIRs. Ultimately the IRS should publish guidance regarding standards and procedures for EDIRs to obtain IRS approval.*

The full report can be found at: <http://www.irs.gov/retirement/article/0,,id=98354,00.html>.

“The Equivalency Determination Information Repository represents more than two years of close collaboration with the Council on Foundations and key partners,” said Rebecca Masisak, Co-C.E.O. of TechSoup Global. “A receipt of acknowledgement of the merits of a repository from the IRS Advisory Committee is a critical and timely milestone as TechSoup Global and the Council move forward on implementation of this service.”

Since 2006, The Council on Foundations, Foundation Center, Independent Sector, and InterAction, with the collaboration of other key organizations and international grantmakers, have worked together on the repository project. TechSoup Global was chosen in November 2008 to establish and host the repository. As the project moves closer to an operational phase, anticipated in early 2010, the Council will expand its outreach to inform the charitable sector of the availability of this new resource.

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### **About the Council on Foundations**

Established in 1949, the Council on Foundations is an Arlington, Virginia-based nonprofit membership association of some 2,000 foundations and corporate giving programs. The Council is a voice of philanthropy at the national level and a valued partner globally. The Council provides the opportunity, leadership, and tools needed by philanthropic organizations to expand, enhance, and sustain their ability to advance the common good. For more information about the Council, visit its website at [www.cof.org](http://www.cof.org).

### **About TechSoup Global**

San Francisco-based TechSoup Global is a 501(c)(3) nonprofit organization that provides technology information to individuals and organizations in 190 countries, has provided consulting services in more than fifty countries and, through its global network of capacity-building NGOs, manages product donations to more than 96,000 organizations in 23 countries. The product donations program has enabled organizations to save over \$1.3 billion in expenses

as of March 2009. TechSoup Global continues to innovate with a goal of bringing increased resources and capacity to organizations working diligently on their social missions. TechSoup Global has a network of more than 35 corporate donor partners including Microsoft, Cisco, and Symantec. For more information, visit [www.techsoupglobal.org](http://www.techsoupglobal.org).