



International Grantmaking and Compliance Process

March 2013

Silicon Valley Community Foundation has made grants to recipients throughout the world. Grants to international organizations without a 501(c)(3) determination letter from the United States Internal Revenue Service require further due diligence through Equivalency Determination or Expenditure Responsibility in order to ensure regulatory compliance under U.S. tax law. Before moving forward with either Equivalency Determination or Expenditure Responsibility, the community foundation will determine if the international organization is affiliated with a U.S. public charity or intermediary organization, as that is the most efficient option.

Upon receipt of a grant recommendation, community foundation staff will contact the recommended organization. Assistance from the organization is critical in helping the community foundation staff efficiently evaluate and process the recommended grants.

If the recommended organization is a public university or government agency, we have a separate process for foreign governmental affiliates. Our goal is to receive all documents and approve grants to each organization within 90 days.

Equivalency Determination:

During this process, the community foundation will request documents from the organization's staff to determine whether the organization is the equivalent of a U.S. 501(c)(3) public charity. All documents must be submitted in English and the length of the due diligence process will depend on the nature of each organization or institution and its ability to provide the necessary paperwork.

Equivalency Determination Documentation Needed from International Organization:

- Completed and signed affidavit (**Affidavits may only be signed by institution signatories.**)
- Complete governing documents, by-laws and/or other establishing documents
- Law/provisions guiding distribution of grantee's assets upon dissolution (unless included in governing documents or by-laws)
- List of board members and key employees
- Public Support Schedule and Major Donor Schedule (NOT required for a public hospital, school or church or other government-related entity)
- Copy of FCRA for Indian organizations

Expenditure Responsibility:

This process is required for grants to an organization that is not considered a public charity but operates charitable projects. During this process, the community foundation will perform a pre-grant inquiry with the organization's staff to verify the charitable nature of the project for which funding is being recommended and to evaluate the organization's ability to carry out the purpose of the grant. Grants awarded through this method of due diligence require that (1) grant funds are maintained in a separate bookkeeping account from your other assets, (2) records of receipts and expenditures of grant funds are maintained, and (3) one or more reports providing details of the expenditures are submitted as follow up. Documents requested vary, but are often very similar to the documents requested during Equivalency Determination.

Upon approval of a grant, SVCF will request the organization sign a grant agreement, as well as provide wiring instructions for payment. Upon receiving the signed grant agreement, grants will be paid via wire transfer.