Equivalency Determination for Non-U.S. Grant Partners

What is Equivalency Determination?

Equivalency determination (ED) is required under United States Internal Revenue Service (IRS) Revenue Procedure 92-94. It is a process by which a U.S. grantmaker evaluates whether an intended foreign grantee is the equivalent of a U.S. public charity. The grantmaker must collect detailed information about the intended grantee's operations and finances and make a reasonable determination of its equivalency.

What does the ED process require?

ED requires the grantee to provide detailed financial records and English-language versions of its governing documents.

How long does an ED take?

Turnaround time to complete the ED process is generally 10 to 12 weeks. This time is primarily affected by the NGO's timeliness in providing the required information and responding to follow-up inquiries.

What could delay an ED request?

Lack of responsiveness by the NGO is the most common cause of delay.

Can an ED request be rushed?

Rush ED requests are not available.

Who oversees the ED process and reviews the organization's documents and information?

TechSoup Global/NGOsource is the U.S.-based organization which oversees the process on behalf of Howmet Aerospace Foundation.

The NGO's Experience

What does the NGO do during the equivalency determination process?

The NGO representative will receive instructions to log in to an online questionnaire using the username and password provided in advance. The questionnaire, which collects information about the organization and its financial history as required by U.S. law, must be completed promptly. The NGO must submit all legally required documents.

The NGO will be supported during the process by one of several global partners. Upon completion of the questionnaire, the NGO will receive an email verifying that the information has been received. The NGO will be contacted if its submission is incomplete or if it is determined that further information is required. The NGO is notified by TechSoup Global/NGOsource if it's equivalency determination is approved.

In addition to the online questionnaire, what other information is required from the NGO?
The NGO is required to provide their full organizing documents in English. The organizing documents must include a dissolution clause describing how the organization's assets will be distributed should the organization ever be dissolved or liquidated.

Why do the NGO's governing documents need to be in English?
U.S. law requires that the NGO's governing documents be in English. Translation services are not available. As required by the IRS, EDs are conducted based solely on the translated governing documents provided by the NGO.

How is an intended grantee assisted during the ED process?
The intended grantee will be assigned to one of the global partners, which will provide customer support by email and phone and, whenever possible, in the NGO's preferred language. The NGO may also refer to an online learning center for more information about the ED process.

How long does the NGO have to complete the questionnaire and submit its documents?
After receipt of the introductory email, two weeks is generally allowed to complete the initial login to the NGO Questionnaire. This time frame takes into consideration the technological limitations that many NGOs face. During this period, the NGO will receive regular reminders to log in. Once the NGO has successfully logged in, it will have an additional two weeks to complete the questionnaire and submit the required documents. Ongoing support is available throughout the process.

What happens if the intended grantee is unresponsive?
An ED request will be terminated after the NGO has not responded in any way over a two-week period and despite multiple attempts to contact the intended grantee. The NGO will become ineligible for a Howmet Aerospace Foundation grant in this situation.