

## EQUIVALENCY DETERMINATION (ED)

Equivalency determination is the method by which we collect detailed information on a foreign charitable organization in order to make a “good faith determination” as to whether or not it is the equivalent of a United States public charity described in sections 501(c)(3) and 509(a) of the Internal Revenue Code (the “Code”). IRS Revenue Procedure 92-94 provides a specific procedure for making this determination, including a list detailing information that must be obtained from the foreign charitable organizations.

Recent proposed changes in American tax law have expanded the category of individuals who may provide written advice to assist U.S. charities in making “good faith determinations” about whether or not a foreign charity is equivalent to a Code section 501(c)(3) organization. Pursuant to the proposed changes grantmakers have the opportunity to rely on the written advice of broader range of qualified tax professionals, including certified public accountants and enrolled agents.

## OUR OFFERINGS & EXPERTISE

Donors working with CAF America now have the opportunity to utilize Equivalency Determination with reduced fees for the service. As the leader in global giving, CAF America has become the first organization in the field to include these new proposed changes in our existing grantmaking suite. Our process is changing to fit the proposed changes, and we’re passing on the savings made possible by the proposed regulations to the valuable donors with whom we work.

CAF America has 20 years of experience and expertise in making grants to foreign charitable organizations utilizing our Expenditure Responsibility (ER) program. In certain situations, however, Equivalency Determination may be a more appropriate method of making a grant to a foreign charitable organization. There is not one right way to make grants to foreign charitable organizations, and CAF America’s expertise is there to help you in determining which of several available tools is most appropriate for your situation.

## ADVANTAGES

### *Option 1:*

#### **Equivalency Determination with CAF America Grantmaking**

(CAF America does make the grant.)

- You are able to recommend any charity, anywhere in the world that you want the grant to go to.
- CAF America provides expert due diligence & vetting.
- CAF America handles all of the administrative duties associated with making the grant.
- All grants out are transmitted via wire transfer.

### *Option 2:*

#### **Issuing a Standalone Equivalency Determination Certificate**

(CAF America does not make the grant.)

- You are able to recommend any charity, anywhere in the world that you want the grant to go to.
- CAF America provides expert due diligence & vetting.
- You retain the ability to conduct all grantmaking activities.
- The ED certificate is issued to you, in you or your organization’s name.

## EQUIVALENCY DETERMINATION (ED) | FEES

### ED WITH CAF AMERICA GRANTMAKING

CAF America **does** make the grant.

**\$1,250**  
Per new ED

**\$500**  
To renew an  
expired ED

**FREE**  
For organizations  
that have a current  
ED with  
CAF America

*Regular DAF and DAG administrative fees apply as followed:*

**Donor Advised Fund**  
*Minimum Initial Contribution:*  
\$5,000

**Charges made as  
contributions are received:**

5% of the first \$500,000  
3% of the next \$500,000  
1% of the next \$2,000,000  
0.5% of any additional amount

**Donor Advised Gift**  
*Minimum Donation Amount:*  
\$500

**Charges are made per gift.**

8% of the first \$100,000  
4% of the next \$200,000  
1% of all funds over \$300,000

### ISSUING A STANDALONE ED CERTIFICATE

CAF America **does not** make the grant.  
**No membership required.**

**ED on an organization that has never been vetted:**  
\$2,500

**ED on an expired organization:**  
\$1,250 to recertify, per ED

**ED on an organization already eligible for ED:**  
\$250 per ED