

# Is your organization equivalent to a United States public charity?

v.2021-04-11

The Internet Society Foundation's bylaws and United States taxation classification require that it award funds to only those organizations that are equivalent to a United States public charity. This type of public charity is typically referred to as a "501(c)3" organization.

The Foundation has partnered with two separate organizations: [NGOsource](#) and Paragon Philanthropy, to confirm all grantee organizations meet this qualification, something referred to as an "Equivalency Determination" or ED. You might be familiar with this requirement from partnering with other United States-based funders. If not, that is okay.

If you have a current ED certificate on file with NGOsource or Paragon, the Foundation will purchase and download a copy and keep it on file with your organization's record in our grants management system. If your ED must be renewed or you have never pursued an equivalency determination in the past, one of our partner organizations will work directly with you to complete this step.

This process can take several weeks to complete and is not guaranteed to be successful. Please keep this in mind as you consider applying to one of the Foundation's programmes.

NOTE: Internet Society Chapters and Special Interest Groups **do not** require Equivalency Determination certification to qualify for funding from the Beyond the Net Small and Large grant programmes.

Below is an overview of the documentation NGOsource or Paragon may ask of your organization in order to determine if it is equivalent to a U.S. public charity.

All documents provided to NGOsource and Paragon must be translated to English. Documents can be anonymized by removing or covering personally identifiable information such as names, addresses, etc.

For full information on Equivalency Determination, visit <https://www.ngosource.org> or <https://www.paragonphilanthropy.com/>

To Be Equivalent to a U.S. Public Charity

Documentation That Is  
Required

**The organization must be organized exclusively for charitable purposes. It must:**

- Be charitable
- Be religious
- Be scientific
- Be literary
- Be educational
- Prevent cruelty to animals or children
- Foster national or international amateur sports competition, and/or
- Test for public safety

**Governing documents and self-declared information provided by the organization:**

- The organization must certify that it is organized for charitable purposes, and/or that local law requires it to operate exclusively for charitable purposes.
- Governing documents must describe purposes and powers.
- Governing documents must prohibit the organization from engaging in noncharitable activities, except as an insubstantial part of its activities.

**The organization must operate exclusively for charitable purposes.**

**In addition to the above,** "charitable" operations broadly include operations that provide relief to the poor, the distressed, or the underprivileged; advance religion; advance education or science; erect or maintain public buildings, monuments, or works; lessen the burdens of government; lessen neighborhood tensions; eliminate prejudice and discrimination; defend human and civil rights that are secured by law; and combat community deterioration and juvenile delinquency.

**Governing documents and self-declared information that are provided by the organization:**

- The organization must certify that it is primarily engaged in activities that are charitable – the NGOsource questionnaire asks for a description of the organization's activities.
- The organization's governing documents (and actual activities) must support the same.
- Ancillary documents such as annual reports, program brochures, or websites may also be reviewed.

**The organization must show evidence that its assets will be used for charitable purposes in perpetuity.**

- The organization must certify that on dissolution, its assets will be transferred for charitable purposes, AND
- The organization's governing documents or local law must support this.

**Lobbying and politics**

- The organization's activities cannot influence legislation ("lobby") more than an insubstantial amount.
- The organization cannot intervene in political campaigns for public office.

- The organization must certify that it does not engage in substantial lobbying or intervene in elections, AND
- The organization's governing documents (and actual activities) must support the same.
- Ancillary documents such as annual reports, program brochures, or websites may also be reviewed.

**Private benefit**

- The organization's activities cannot benefit private persons or noncharitable organizations.

- The organization must certify that its net assets do not benefit any private individuals or insiders, AND
- The organization's governing documents (and actual activities) or local law must support the same.

#### Public support (if applicable)

- The organization should have at least  $33\frac{1}{3}$  percent public support (at least one-third of its support must be from "public" sources).
  - Public support is calculated over a five-year period.
  - In some instances, if an organization has less than  $33\frac{1}{3}$  percent public support but more than 10 percent, relevant facts and circumstances must establish that the organization operates similarly to a publicly supported charity.
  - If the organization is less than five years old, it must submit financial information from its date of formation (including a short year). It must also project financial information for the remaining years in order to provide a total of five years for the analysis.
- Five fiscal years of financial information (does not need to be audited)
  - Certain religious organizations, hospitals, medical research organizations, and educational institutions (universities or schools) qualify as public charities; they do not need to meet minimum public support requirements.