



philanthropy
new york

A Regional Association of Grantmakers with Global Impact

Eligibility & Policies

(Revised November 2009)

Philanthropy New York is a nonprofit membership organization created in 1979 by the New York City philanthropic sector to promote and support the practice of effective philanthropy for the public good.

Membership in Philanthropy New York is open to philanthropic organizations based in the greater New York City region or focusing substantial giving here. In addition, special memberships are available to other philanthropic organizations based outside of New York wishing to engage with our vibrant grantmaking community.

Philanthropy New York membership is open to:

(see definitions further down in this document)

- Private foundations, including family foundations (either professionally staffed or family managed), independent foundations, and charitable trusts
- Corporate foundations and giving programs
- Community foundations
- Private operating foundations
- Public foundations and grantmaking public charities
- Religious and religious-affiliated foundations
- Donor-advised funds
- Federated funds
- Professional philanthropic advisors
- Individuals committed to sustained, strategic philanthropy

All members must meet the following membership criteria:

1. An organization's core interest in joining Philanthropy New York is a desire to improve the quality of its own grantmaking and to work with other members to improve the field of grantmaking.
2. The primary function of a prospective member is making charitable grants. Exceptions to this policy, noted below, include private operating foundations, religious grantmakers, and public foundations.

3. Grants awarded annually make up at least 50% of the prospective member organization's total annual expenditures. For corporate giving programs, the term "organization" refers to the corporate giving unit, not the entire corporation. Exceptions to this standard, noted below, include public foundations, private operating foundations, and individual members.
4. The prospective member's grant distributions are made primarily on a discretionary basis to multiple nonprofit organizations that are not subsidiary or otherwise directly related to the prospective member.
5. The prospective member reasonably anticipates that it will continue to meet all requirements for membership for at least the next five years.
6. Organizations applying for membership will submit a copy of their most recent 990 tax return and all other information requested on the application form and in this document.
7. Philanthropy New York's Board of Directors' Committee on Members retains final discretion on all matters concerning membership in Philanthropy New York.

Additional application procedures and membership criteria apply to the following classes of members:

Public Foundations and Grantmaking Public Charities

To qualify for Philanthropy New York membership, a public foundation or other grantmaking public charity must annually allocate a minimum of \$60,000 from its core budget to grants that conform to item 4, above. In addition to this minimum giving threshold, a prospective member in this category must also commit at least 25% of its core budget to such a grant program or a combined total of 50% of its core budget to grantmaking and other programming directly related to that grantmaking.

Religious and Religiously Affiliated Organizations

Religious and religious-affiliated grantmakers must meet the additional criteria outlined above for public foundations. They must also submit a statement that describes the organization requesting membership and how it is tax exempt, and that notes any grantmaking limitations based on religious affiliation, geography, subject matter of grants, or other factors.

Private Operating Foundations

Private operating foundations (a designation defined by the IRS) must derive their annual budget from an endowment or from a sole donor or some other reliable source of income for which the foundation does not need to fundraise or solicit. The prospective member also must maintain an annual program of direct grants that constitutes at least 10% of its operating budget; the grantmaking program will conform with item 4, above.

Individuals committed to sustained, strategic philanthropy

Individuals wishing to join Philanthropy New York must submit a signed statement that they meet the following criteria: they give at least \$60,000/annum; they make grants to several different organizations; they want to join Philanthropy New York in order to strengthen their practice of philanthropy; they expect that their grantmaking activities will continue to meet these criteria in future years.

Professional Philanthropic Advisors

Professional philanthropic advisors must affirm to Philanthropy New York that the services they routinely

provide to their client(s) address the full-range of grantmaking practice, including at least half of the following: helping foundation staff (or, for family foundation clients, family members) develop their grantmaking priorities; developing foundation strategies for specific grantmaking program areas; crafting or managing grant application procedures; researching and/or forging relationships with prospective grantees; managing relationships with existing grantees; coordinating the grant evaluation process, including the creation of proposal dockets for board review; managing the disbursement of funds to grantees; developing and coordinating evaluation of grant outcomes.

Membership rules:

Philanthropy New York provides a collegial forum in which its members may test and explore ideas and practices. To foster the open exchange necessary for such an environment, our members agree to abide by both the spirit and letter of the following three rules as a condition of their membership:

1. Philanthropy New York is not a venue for solicitation for funds or business. This applies equally to our meetings, publications, or events.
2. Philanthropy New York member information may not be distributed for solicitation purposes. (We publish an online, searchable directory of members via the members-only section of our website. Each Philanthropy New York member can edit and limit the information that appears in its directory entry.)
3. Philanthropy New York functions are for members only, unless otherwise announced. Staff with fundraising responsibilities at grantmaking organizations are not eligible to attend PNY functions.

Definitions of foundation types:

Philanthropy New York adheres to the following definitions of different foundation types, adapted from language developed by the Council on Foundations. Specific requirements for membership in Philanthropy New York appear in the Membership Criteria section of this document (above).

- **Community Foundation:** A tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution organized and operated primarily as a permanent collection of endowed funds for the longterm benefit of a defined geographic area no larger than three states. Community foundations have a governing body broadly representative of the general public, maintain a broad grants program to multiple grantees that is limited neither by field of interest nor to serving only parts of the population, and may also provide direct charitable services. Community foundations operate primarily as grantmaking institutions, carrying out the diverse charitable purposes specified by the governing body and donors.
- **Corporate Foundation:** A tax-exempt organization that derives its grantmaking funds primarily from a corporation. The company-sponsored foundation may maintain close ties with the donor company, but it is a separate, legal organization subject to the same rules and regulations as other private foundations.
- **Corporate Giving Program:** A grantmaking program established within a company. Corporate giving programs do not have an endowment; their expense is planned as part of the company's annual budget. They are not subject to the same reporting standards as a corporate foundation.

- **Combination Corporate Foundation and Giving Program:** Is one where a corporation has both corporate foundation (as defined above) and corporate giving program (as defined above). The corporation uses both to make contributions.
- **Family Foundation:** Philanthropy New York permits members to categorize themselves as a family foundation when the donor and/or donor's relatives play a central role in the governance and/or management of the foundation.
- **Independent Foundation:** A tax-exempt organization that makes grants based on charitable endowments and is not controlled by the benefactor or the benefactor's family.
- **Private Operating Foundation:** A tax-exempt organization that uses the bulk of its resources to provide charitable services or run charitable programs on its own. At the same time, such foundations allocate at least 10% of their operating budgets to grants for outside organizations and, like private independent and private family foundations, they generally do not raise funds from the public.
- **Private Foundation:** A tax-exempt organization that makes grants based on charitable endowments. This designation includes independent foundations and many family foundations.
- **Public Foundation:** A tax-exempt, nonprofit, publicly supported charitable institution whose primary purpose is grantmaking to multiple organizations and whose sources of annual support are a mix of private and public donations. Public foundations may or may not have endowments.

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