

## Council on Foundations Policy on Membership and Dues

*Adopted December 6, 2018*

### I. General Statement of Membership and Bylaws Provisions

Members of the Council on Foundations are foundations, corporations or philanthropic entities that primarily provide charitable support to qualified organizations or individuals on an annual basis and that support the public good. Associate members of the Council may also include individuals and organizations that work to support the philanthropic field and/or wish to support the work of the Council. The purpose for joining the Council is to advance philanthropy through learning and connecting with others involved in philanthropic activity.

The Bylaws of the Council on Foundations provides for the following two classes of membership:

**Voting Members:** Foundations, corporations, and philanthropic entities whose primary function and activity is charitable grantmaking are eligible to become voting members of the Council. Private operating foundations are also included in this category. Voting members may be U.S. or non-U.S. organizations, and may include community foundations and other similar publicly-funded organizations, private foundations, and corporate giving programs.

**Associate Members.** Philanthropic support entities, businesses, consultants and individuals that are engaged in the professional business of serving foundations, corporations or other philanthropic entities are eligible to become non-voting associate members. Individuals who have previously served the Council as board members, volunteers, or in some other similar capacity and are not currently affiliated with any organization eligible for Council membership, but who wish to continue to support the mission of the Council may also be considered for associate membership. Associate members may be non-profit or for-profit entities.

### II. Voting Members – Criteria for Membership

Foundations, corporations or philanthropic entities eligible for voting membership must satisfy the following general requirements:

- The applicant must be organized as a tax exempt legal entity in good standing with the IRS and the state of incorporation, or in the case of corporate giving programs, the corporation is a legal entity in good standing with the IRS and state of incorporation.
- The applicant is governed by a board of directors or trustees.

- Charitable support is a primary activity. “Charitable support” is defined as grants, donations and investments in support of the charitable activities of one or more other organizations. Private operating foundations as defined in section 4942(j)(3) of the Internal Revenue Code, meet the “charitable support” requirement if the requirements in section 4942(j)(3) are met.

Non-U.S. foundations that are recognized by their governments are eligible for membership in the Council.

In the case of a corporation that maintains a corporate giving program and a corporate foundation, the corporate giving program cannot join separately without the corporate foundation also joining. Assets of both may be aggregated for purposes of calculating membership dues.

Foundations that are chartered by government action may join provided all other criteria are met.

The Council on foundations has sole discretion to admit provisional voting membership status to newly formed grantmaking organizations at a dues rate determined by the Council. Organizations seeking provisional membership should expect to provide documentation including, but not limited to, proof of application with the state of incorporation, organizing documents, bylaws, and an IRS determination letter or submitted Form 1023. Organizations approved for provisional membership will also be required to submit copies of their initial Forms 990/990-PF within 12 months of membership approval or they may be deemed ineligible for membership renewal in subsequent years.

If an organization is eligible for Voting membership, they are disqualified from Associate membership.

### III. Associate Members – Criteria for Membership

Non-profit and for-profit service and support organizations, businesses and individuals that provide services and support to the philanthropic sector and/or have an active involvement in philanthropy and that do not qualify for voting membership may apply for associate membership in the Council. Membership associations, Universities, and non-profit organizations that do not have a grantmaking function are not eligible for membership with the Council.

Examples include but are not limited to:

- Financial and investment advisers, family offices, banks and trust companies that serve the philanthropic sector

- Law firms and attorneys that advise individuals and organizations regarding philanthropic activity
- Consulting firms and consultants who advise in the practice of philanthropy or who advise organizations that serve the field of philanthropy
- Vendors to the philanthropic field (e.g., software providers, publishers)
- Academic institutions and programs that support and serve the philanthropic sector

Additionally, individuals who have previously served the Council as board members, volunteers, or in some other capacity and are not currently affiliated with any organization eligible for Council membership, but who wish to continue to support the work of the Council may apply for associate membership.

Associate members are not entitled to vote at the annual meeting of the membership. Associate members are subject to the Council's non-solicitation policy at all Council events.

#### IV. Subsidiaries, Affiliates, Supporting Organizations, Chapters, Divisions and Component Funds

Applicants may list their subsidiaries, affiliates, supporting organizations, chapters and divisions on the membership application, and such subsidiaries, affiliates, supporting organizations, chapters and divisions may receive Council benefits under the umbrella of the parent organization/applicant's membership provided however that all listed subsidiaries, affiliates, supporting organizations, chapters and divisions are subject to the governance and control of the parent organization/applicant and the assets of all subsidiaries, affiliates, supporting organizations, chapters and divisions are included in the membership dues calculations.

Notwithstanding the above, the Council reserves the right to decline membership to philanthropic or support organizations that are structured as a collection of chapters, divisions, donor advised funds, or regional or local affiliates of larger "parent" organizations, including national or international organizations, if in the sole discretion of the Council, such membership would overly burden the capacity of the Council and/or negatively impact the service to existing Council members.

The Council does not offer a separate membership to donor-advised funds or other component funds. Donor-advised funds affiliated with a Community Foundation may benefit from the foundation's access to Council services as a member foundation.

V. Membership Application Procedure

Candidates for voting or associate membership must submit a signed membership application and supporting documentation demonstrating eligibility pursuant to the above criteria. The membership application and any required supporting materials are subject to periodic review and amendment by the Council, and current criteria and application materials shall be posted on the Council's website. Council staff shall promptly review all membership applications and apply the membership criteria objectively and in a non-discriminatory manner. The Council reserves the right to refuse or non-renew membership to any applicant for failure to satisfy any of the membership criteria including the Council code of ethics, subject however to an applicant's right to appeal any such refusal or non-renewal to the Council on Foundations Board of Directors or to a committee delegated by the Board. Information provided on membership applications or on renewal applications is confidential and for the internal use of the Council only.

VI. Membership Dues

The contributions of voting members (dues) are calculated based on asset size and grants as evidenced by the annual IRS Form 990 (inclusive of net assets and Donor Advised Funds) and shall be assessed in accordance with the Council's Member Dues Schedule as determined from time to time by the President and CEO. A current copy of the Member Dues Schedule is attached hereto as Exhibit A. Associate member dues shall be assessed according to a separate dues schedule as determined from time to time by the President and CEO. Provisional membership dues are determined at the discretion of the Council on Foundations and will be based on information derived from sources including, but not limited to, the organization's Form 990/990-PF, Form 1023, foundation statements or other supporting documentation.

The Council on Foundations will attempt to refund any overpayment of membership dues. If no response is received from the overpaying member by June 30, overpayments will be treated as an additional gift to the Council.

Membership dues are non-refundable and non-transferrable and may not be negotiated.

VII. Membership Termination

The membership of any member whose contribution has not been paid after a period of three (3) months from the beginning of the period for which such dues are payable shall be terminated automatically.

**The Council may terminate membership for any member found to have omitted information during the application process that would have made the member ineligible for membership with the Council.**