

QUESTION + ANSWER

W-8BEN-E (For-profit)

TAX FORM

Congratulations on being referred for a grant award for the Facebook Community Accelerator (FCA) in partnership with GlobalGiving! You're in the right place for information if you are a community leader receiving grant funds from GlobalGiving as a **for-profit**.

The third step in the process as outlined in your Grantee toolkit is the eligibility phase, which includes the successful completion of [Form W-8BEN-E](#). The completion and approval of Form W-8BEN-E allows GlobalGiving to send funds to your selected entity.

By signing the W-8BEN-E form, you certify that you are not a United States citizen or resident. This allows GlobalGiving to make payments to you without requiring you to provide a U.S. taxpayer identification number and without reporting the payment to U.S. tax authorities in the same way we would if you were a U.S. citizen or resident. GlobalGiving is a registered charity in the United States and is only beholden to U.S. tax law. Though GlobalGiving is unable to provide tax advice, this document is meant to support general questions that you may have as you move through the form.

Please Note: *This document was written by a law professional in the United States. GlobalGiving did not write this document and legally GlobalGiving cannot give tax advice.*

Table Of Contents

1. Will my W-8BEN-E form be provided to the U.S. Internal Revenue Service (IRS)? page 1
2. Will completing Form W-8BEN-E make me owe U.S. taxes or require me to file a U.S. tax return? pages 1 - 2
3. None of the grant funds provided to me will be used for travel to or activities in the United States. What parts of the form do I need to complete? page 2
4. Do I need to provide my local tax number, a United States social security number (SSN), or an international taxpayer identification number (ITIN) to complete this form? page 3
5. Will GlobalGiving need other information from me? page 3
6. Where can I go if I have more questions? page 3
7. How can I access the form in a language other than English? page 4

Additional Form Instructions

Line-by-Line Instructions pages 5 - 9

1. Will this form be provided to the U.S. Internal Revenue Service (IRS)?

ANSWER: Generally, no. U.S. law requires that GlobalGiving, as the funder, only collects and keeps this information for their own records. This is to prove that GlobalGiving as a charitable organization and ultimate funder of your grant awards has complied with their tax obligations with respect to their payments to you. There is a small chance that the U.S. Internal Revenue Service (IRS) could review this form to check GlobalGiving's compliance with U.S. law governing cross-border payments; however, it's important to remember that the reason for this review is not to review your compliance with the form, it's to check GlobalGiving's compliance with obtaining the correct information to send funds. There is one instance where GlobalGiving would need to actively share your form. If your entity is required to complete Part XXIX of the Form because you do not qualify for any other classification besides "Passive NFFE," you will need to identify any substantial U.S. owners of your organization. If you have substantial U.S. owners, GlobalGiving may then be required to report the identity of your substantial U.S. owners and the amount of its payments to you to the IRS.

2. Will completing Form W-8BEN-E make me owe U.S. taxes or require me to file a U.S. tax return?

ANSWER: Generally, no. U.S. law requires that GlobalGiving, as the funder, only collects and keeps this information for their own records. This is to prove that GlobalGiving, as a charitable organization and ultimate funder of your grant awards, has complied with their tax obligations with respect to their payments to you.

There is a small chance that the U.S. Internal Revenue Service (IRS) could review this form to check GlobalGiving's compliance with U.S. law governing cross-border payments. Again, it's important to remember that the reason for this review is not to review your compliance with the form; it's to check GlobalGiving's compliance with obtaining the correct information to send funds

As stated in the Grantee toolkit and Grant Agreements between your entity and GlobalGiving, grant funds received may not be used in the United States without confirmation from GlobalGiving. Please contact GlobalGiving at **grants+fca@globalgiving.org** with any questions or requests.

3. None of the grant funds provided to me will be used for travel to or activities in the United States. What parts of the form do I need to complete?

ANSWER: Complete Part I, lines 1-4, 6-7, and if you have a U.S. employer identification number (EIN), complete line 8. Review the certification in Part XXX to make sure it is accurate, and if so, have an officer or other authorized person sign the form for the organization.

As stated in the Grantee toolkit and Grant Agreements between your entity and GlobalGiving, grant funds received may not be used in the United States without confirmation from GlobalGiving. Please contact GlobalGiving at **grants+fca@globalgiving.org** with any questions or requests.

4. Do I need to provide my local tax number, a United States social security number (SSN), or an international taxpayer identification number (ITIN) to complete this form?

ANSWER: No. If you have a U.S. EIN, you should enter it in line 8, but there is no requirement to have one. If you wish to claim treaty benefits, you must provide either your tax identification number in your country or a U.S. EIN. If your country does not have agreements in place to share information with the United States (most countries do), you may need to obtain and provide a U.S. EIN to claim treaty benefits.

5. Will GlobalGiving need other information from me?

ANSWER: Depending on your responses, we may need further explanations. For example, if you indicate that your address is in the United States or request payment to a U.S. bank account, we may ask for additional explanation or documentation to confirm that you are not a U.S. resident.

6. Where can I go if I have more questions?

ANSWER: The IRS provides detailed instructions to Form W-8BEN-E on [its website](#). These comprehensive instructions deal with many specific cases not addressed by these FAQs, which are designed to address only the situations and questions that most commonly arise.

7. How can I access the form in a language other than English?

ANSWER: Citi has translated the documents into over 20 different languages. You can use the link [here](#) to view all the translated documents. Please note that you use the translated versions as a reference, but the final submitted document must be in English.

LINE-BY-LINE INSTRUCTIONS

Part I

Lines 1 and 3. Ordinarily, the full legal name of the organization receiving the grant goes in line 1, and line 3 is left blank.

In rare cases, the entity receiving the grant is a “disregarded entity” for U.S. tax purposes. Normally, this would only happen if it filed a form with the U.S. Internal Revenue Service choosing to be treated as a “disregarded entity,” or if under its legal structure it has one single owner that is liable for the organization's debts and liabilities. If the entity receiving the grant is a disregarded entity, you should enter the name of the single owner in line 1, enter the name of the entity receiving the grant in line 3, and complete the rest of the form for the single owner, not for the disregarded entity receiving the grant. For U.S. tax purposes, the grant will be treated as made to the single owner.

Line 2. Enter the name of the country under whose law the organization was formed.

Line 4. This question is asking for the status of your organization under United States tax law, not local law. Check only one box. GlobalGiving cannot provide advice as to the correct classification of individual foreign entities for U.S. tax purposes. However, the following general principles may help you make the determination as to which category fits your organization best.

- **Corporation.** This is the most commonly applicable entity type. Usually, an organization where all owners or members have “limited liability,” meaning that they are not liable for the actions or debts of the organization, is categorized as a “corporation” for U.S. tax purposes. This category includes not only for-profit corporations and companies, but also many nonprofit corporations, companies limited by guarantee, civil associations, and civil law foundations conducting their own programs.
- **Partnership.** Organizations in which one or more owner (for example, a general partner) is automatically liable for the debts of the organization should generally check the “partnership” box.
- **Trust.** An entity is classified as a trust only if its primary purpose is to hold assets for other beneficiaries. Examples might be civil law foundations (but only if they are mainly holding and conserving assets for payment to other beneficiaries rather than conducting their own activities), trusts in common law jurisdictions, and fideicomisos.
- **Exceptions.** In the unlikely case that you are a corporation or partnership that has filed a valid form with the IRS to choose your U.S. tax status, or if your U.S. tax status has previously been determined. If you have not filed a form choosing your organization’s status, and any previous determination has not been relevant to U.S. tax matters for at least the last five years, you can ignore the previous determination and make a new determination now.

CAUTION: DO NOT check “tax-exempt organization” unless the organization has qualified to be exempt from U.S. taxes as an organization described in section 501(c) of the U.S. tax code. Similarly, do not check “private foundation” unless the organization qualifies as a private foundation under U.S. tax law. Claiming status as a U.S. tax-exempt organization or private foundation may subject you to U.S. rules and filing requirements applicable to U.S. tax-exempt organizations.

Please note that if you check the “grantor trust,” “simple trust,” or “partnership” box, GlobalGiving may need to ask further questions to determine whether you will be considered an intermediary for U.S. tax purposes, receiving payment on behalf of your owners or beneficiaries.

Line 5. This line can be left blank unless you will use GlobalGiving grant funds for activities in the United States.

Check a **single box** that describes your organization. Although the list of options appears confusing, most of GlobalGiving's grantees are not financial institutions or investment entities, so they can ignore most of these options. Typically, GlobalGiving grantees qualify as one of the following non-financial foreign entities (NFFEs):

- A nonprofit organization (also complete Part XXII). This includes non-U.S. organizations similar to U.S. 501(c)(3) organizations. The organization must:
 - (1) have no owners;
 - (2) be exclusively organized and operated for charitable, educational, scientific, artistic, cultural, or religious purposes (NOTE: "Charitable" purposes include a wide variety of community benefit purposes besides helping the poor and needy, such as promoting health, combating discrimination, advancing international understanding or peace, protecting human rights secured by law, helping the elderly or disabled, protecting consumers, improving or protecting communities through economic development, and informing the public about issues of public concern);
 - (3) be exempt from income tax under the laws of its home country (NOTE: You may qualify for this status if you are exempt from tax in your home country on a significant portion of your income, such as contributions and investment income, even if you still pay tax on certain types of income such as business revenue or revenue from activities not furthering your tax-exempt purposes);
 - (4) be prohibited under local law from distributing or using its property for insiders or other private persons except in furtherance of its purposes; and
 - (5) be required to ensure that any remaining assets it has when it terminates will continue to be used for the same purposes (for instance, by requiring them to be distributed to another organization with the same purposes).
- *Active NFFE (also complete Part XXV).* Most active businesses qualify for this status. Passive income (dividends, interest, rents, royalties, and similar investment income) must be less than 50% of its income the previous year, and assets held to produce passive income must be less than 50% of the organization's assets.
- *Passive NFFE (also complete Parts XXVI and XXIX).* This category will usually apply if none of the others apply. Any non-U.S. entity that is not a financial institution can check the "Passive NFFE" box. If you have no U.S. owners, checking "Passive NFFE" has the same consequences as checking "Active NFFE" but is easier because you do not have to measure your passive income and assets.

If your organization qualifies to check the “Non-Profit Organization” box, that is likely the most favorable. This is because it may allow us to conclude that your grant is a charitable gift that should not be considered taxable income in the United States even if it funds activities in the United States.

If you check the “Passive NFFE” box, you will be required to report any substantial U.S. owners in Part XXIX. Substantial U.S. owners are those that own 10% or more of your organization directly or indirectly, but do not include section 501(c) organizations, publicly traded companies or their affiliates, banks, real estate investment trusts, regulated investment companies, registered securities or commodities dealers, brokers, or government entities, among other exceptions. If you report any substantial U.S. owners, GlobalGiving will be required to report the amount of GlobalGiving's payments to you to be used for activities in the U.S., together with information about your U.S. owners, to the IRS. If you do not provide this information, GlobalGiving may be required to withhold tax on the portion of the grant used for U.S. activities, even if that tax would otherwise be reduced or eliminated by a tax treaty.

Part II

Leave this blank unless your organization is a branch of a financial institution or a “disregarded entity” owned by a financial institution.

Part III

Leave this blank unless GlobalGiving would otherwise withhold tax because you will use a portion of the grant funds in the United States. In that case, you may choose to complete this part to claim a reduction of the amount of tax to be withheld under a tax treaty.

Parts IV through XXVIII

Leave these blank unless you are using some grant funds for activities in the United States. If you do use GlobalGiving grant funds for such activities, complete ONLY the section corresponding to the box you checked in Part I, line 5.

Part XXIX

Complete this part ONLY if you are using some GlobalGiving grant funds for activities in the United States and checked the "Passive NFFE" box in Part I, line 5. List each U.S. person that owns 10% or more of your organization, excluding anyone who is not a "specified U.S. person."

Part XXX

Make sure that the certifications made in this part are accurate. Then have an authorized signatory sign the form and check the box indicating that they are authorized to sign.