

TERMS OF REFERENCE

The Network of Latin American and Caribbean Environmental Funds (RedLAC) publishes the following Terms of Reference to receive proposals for the consultancy:

"Incorporation of RedLAC as a 501(c)(3) non-profit organization in the United States of America".

Background

RedLAC is a community of independent environmental funds that has been operating since 1999, with the goal of strengthening the capacity of its members for conservation, adaptation and climate change mitigation and sustainable development. RedLAC brings together 27 environmental funds from 19 countries in the region and has been dedicated to promoting their interrelationships through capacity building and knowledge management initiatives that favor biodiversity conservation and sustainable development in the region.

Following the "Organizational Principles Agreement" governing RedLAC (see Annex 1), RedLAC's governance consists of an Assembly composed of all member funds, as well as an Executive Committee that consists of seven funds that ensure that the Assembly's decisions are implemented. The Executive Committee is chaired by the director of one of the funds selected by the Assembly. His term of office is between two and four years. The Environmental Investment Fund of El Salvador (FIAES) currently holds the presidency of RedLAC. The presiding fund is the one that hires an Executive Secretariat, who coordinates the network, as well as the organization of the annual RedLAC Congress, which takes place each year in a different country of the region. The host fund participates in the Executive Committee to ensure the proper preparation of the annual Congress. In recent years, RedLAC has obtained resources for projects that result from the synergy of groups of environmental funds and that support shared regions or themes.

Within the framework of the sessions corresponding to the XXIV RedLAC Congress, held from October 24 to 27, 2022 in Quito, Ecuador, the RedLAC Assembly agreed to establish RedLAC as an entity with its own legal personality and assets. The Assembly decided to incorporate RedLAC in the United States of America (USA) as a 501(c)(3) non-profit organization. A group of seven environmental funds that are part of RedLAC will provide oversight to this initiative and report the advances to the Assembly via the Executive Committee.

Section 501(c)(3) of the US Internal Revenue Code provides for the federal tax exemption of non-profit organizations, specifically referring to public charities or private foundations. This section is regulated and administered by the US Treasury Department through the Internal Revenue Service (IRS).

Given the type of activities that it develops, RedLAC seeks that its incorporation allows it to receive donations and channeling them to the Funds that comprise it, as well as providing permanence through the hiring of the Executive Secretariat.

General Objective

To analyze, propose and implement the strategy to be followed by RedLAC in order to be incorporated in the United States of America as a 501(c)(3) non-profit organization.

Legal framework

The proposal submitted must describe in detail the legal, fiscal and any other basis in the United States that is relevant to this consultancy.

Activities to be performed

The consulting firm shall perform the following activities:

- Case analysis, conclusions and roadmap for the incorporation of RedLAC as a 501 (c)(3) non-profit organization in the United States of America, including the steps to follow within the process and the need to obtain specific authorizations, licenses or permits for the purposes that RedLAC intends to fulfill.
- Estimated annual cost to comply with the basic tax, accounting and legal requirements arising from the operation of RedLAC 501(c)(3), assuming there is no personnel hired in the USA.
- Drafting of By-Laws for RedLAC based on the structure already in place.
- Drafting of RedLAC's Articles of Incorporation.
- Incorporation of observations to RedLAC's By-laws and Articles of Incorporation by RedLAC's Working Group and Executive Committee.
- Presentation of the RedLAC By-laws and Articles of Incorporation to the RedLAC Assembly within the framework of its XXV Congress, which will take place in Cusco, Peru, from October 23 to 26, 2023.
- Incorporation of observations agreed upon by the Assembly in RedLAC's By-laws and Articles of Incorporation and their registration.
- Obtaining Employer Identification Number (EIN).
- DUN & Bradstreet and SAM Federal and related applicable registrations.
- Filing of 501(c)(3) tax exemption application form and follow-up until obtained.

Deliverables

The deliverables are divided into five stages:

1. October 13, 2023: first version of By-Laws and Articles of Incorporation to receive comments no later than October 18 from the Working Group and the RedLAC Executive Committee;
2. October 20, 2023: second version of the By-Laws and Articles of Incorporation, incorporating the comments of the Working Group and the RedLAC Executive Committee, in order for the Executive Committee to send this second version to the RedLAC Assembly;
3. October 22, 2023: presentation of the second version of the By-Laws and Articles of Incorporation to the RedLAC Assembly plus the comments received and analyzed;
4. November 10, 2023, once the Assembly's comments have been incorporated, and with the version of the By-Laws and Articles of Incorporation approved by the Assembly, proceed to obtain the documents that certify RedLAC's incorporation and registration as a 501(c)(3) non-profit organization:
 - Name registration
 - By-Laws
 - Articles of Incorporation
 - EIN
 - DUN & Bradstreet and SAM numbers
5. November 10, 2023 to first quarter 2024, follow-up on obtaining:
 - Letter of acceptance or registration as a 501(c)(3) by the IRS.

Duration of the consultancy

The contract will be signed in the last week of September 2023 and will terminate as soon as the IRS has accepted RedLAC's 501(c)(3) registration.

Payments

Three payments will be made. The first deposit will be made upon signing the contract for a maximum of 30% of the total amount of the consultancy. The second payment will be made upon delivery and acceptance of the progress and products agreed upon for stages one to four. The third payment will be made upon delivery and acceptance of the products of stage five.

Required profile

- Extensive knowledge of U.S. tax legislation for non-profit organizations and tax-exempt status.
- At least 10 years of experience and recognition in tax, accounting and legal issues of authorized U.S. 501(c)(3) non-profit organizations.

Receipt of documents

The consulting firm must submit a work proposal that includes:

- a) Technical proposal, which must contain the regulatory basis to be followed, including those applicable to the incorporation of RedLAC in the USA, as well as the plan for delivery and adjustment of products and reports, timeline and any other relevant information requested by these terms of reference within the defined time frame.
- b) Financial proposal, which must be sent in a separate file from the technical proposal. This proposal must include a detailed description of its costs. In addition to the costs of legal incorporation, the proposal shall include an estimate of the annual cost for a second phase, in order to meet the basic tax, accounting and legal obligations of the RedLAC 501(c)(3) operation, assuming that it will not have any staff in the USA.
- c) Curriculum vitae of the consulting firm, including the portfolio of similar projects in which it has participated.

The deadline for submitting said documentation is September 20, 2023, by e-mail addressed to Andrea Secola (asecola@costaricaporsiempre.org) with copy to Luis Lugo (luis.lugo@fmcn.org), who can also answer any questions related to the present terms of reference.

Award and contracting

The results of the award process will be reported via e-mail no later than the last week of September 2023. The contract will be signed between the consulting firm and *Costa Rica por Siempre*, which is the fund that has the resources to cover the consultancy. The selected consulting firm will provide the necessary information to complete the agreement, as well as the corresponding invoice.