

Microsoft Eligibility Definition Of Charity Organizations

Microsoft makes discounted product licenses available to its authorized charity resellers for resale to customers who are eligible Charity Organizations. Such customers are also eligible for Microsoft Software Assurance. Microsoft makes charity customer eligibility determinations at its sole discretion and uses the categories and definitions below as guidelines in making them. These guidelines may change at times and without notice. You can see the latest version of these eligibility guidelines at <http://www.microsoft.com/licensing/programs/open/opencharity.msp>.

Organizations are classified into four significant categories as per Microsoft's definition of a Charity Organization.

Eligible Charity Organizations

Organizations that are eligible to acquire licenses as a qualified Charity Organization are defined in one of the two following categories:

- [1] Qualifying 501(c)(3) Public Charities
- [2] Qualifying *Per Se* Organizations

Ineligible Organizations

Organizations that are not eligible to acquire licenses as a qualified Charity Organization are defined in one of the two following categories:

- [3] Non 501(c)(3) Public Charities
- [4] Non-Qualifying 501(c)(3) Public Charities

Eligible Charity Organizations

[1] Qualifying 501(c)(3) Public Charities

To qualify under category [1], organizations (including all subsidiaries, branches, or divisions) must meet **all** of the following criteria:

- a. Hold **501(c)(3)** designation, conferred by the **United States Internal Revenue Service (IRS)**, at the **highest** level of the organization requesting licenses as a Charity Organization and submit a **501(c)(3) determination letter** from the IRS on request.
- b. Hold Public Charity (**not** Private Foundation) status, as defined by Section 509 of the United States Internal Revenue Code, at the highest level of the organization requesting License as a Charity Organization licenses.
- c. Not be listed as a **Non-Qualifying 501(c)(3) Public Charity** in Category [4].

[2] Qualifying *Per Se* Organizations

Microsoft will make the eligibility determination for some organizations on a case by case basis based on their primary mission area and financial need. To qualify under category [2], organizations must meet all the following criteria;

- 1. Hold 501(c)(3) status and provide a 501(c)(3) determination letter upon request. If the organization does not have 501(c)(3) status they must provide satisfactory explanation as to why they did not qualify for such a status; and
- 2. Prove their inability to pay for the commercial licenses by providing a financial statement; and

3. Be a charitable organization apart from being a non-profit organization. Such organizations must not solely depend on fees from patients and insurance providers for revenues but must obtain a significant proportion of funding from donations.

In addition to meeting the above criteria the *per se* organizations must be *organized and operated exclusively* as one of the following:

- a. **Humanitarian assistance and disaster relief** organizations.
- b. **Community health clinics** designated as Federally Qualified Health Centers (FQHC) and FQHC look-alikes by the United States Department of Health.
- c. **Voluntary health associations and clinics** that provide services on a free or sliding-fee basis and employ *only volunteer* medical staff (other non-medical staff can be paid).
- d. **Blood, organ, and tissue banks** with the primary mission of caching or banking blood or blood components, organs, or tissues gathered as a result of donation, then storing and preserving them to use later in blood transfusions or transplants.
- e. **Behavioral healthcare organizations** that provide mental health, chemical dependency, mental/developmental disabilities services, and other psychosocial services to the community.
- f. **Freestanding women's health organizations** with the main mission of treating medical or health issues of special concern to women because of their physiology or reproductive physiology, including diseases that affect only women or mainly women.
- g. **Hospices:** (Allowed under extra-ordinary circumstances where there is a clear demonstration of financial need and ongoing charitable activity). Hospices that provide time-limited, end-of-life care intended to provide relief from suffering, treatment of pain and other distressing symptoms, psychological and spiritual care, a support system to sustain the individual's family, and care and support for loved ones following a death; services may include pharmaceuticals, medical equipment, and 24 hours a day, seven days a week access to assistance and may be provided in the home, residential-care facility, or in a free-standing hospice residential facility.

All organizations under categories [1] and [2] above must devote all of their resources for charitable purposes to qualify as a Charity Organization. Holding 501(c)(3) designation as a result of non-charitable activities does not suffice and does not make an organization eligible.

Ineligible Organizations

[3] Non-501(c)(3) Public Charities

Any organization that does not meet the criteria outlined in category [1] **at the highest level of the organization and for any subsidiary, branch, or division** and does not otherwise qualify under Category [2] is **ineligible**.

[4] Non-Qualifying 501(c)(3) Public Charities

Even if an organization holds **Qualifying 501(c)(3) Public Charity** status as defined in category [1], it will be deemed ineligible if **all or any part of the organization** falls into one of the following categories:

- a. Organizations that pay (or otherwise make available) any portion of the funds or properties it holds or receives for the benefit of any proprietor, member, shareholder, or trustee.
- b. Organizations that have as part of their organization/parent company/parent entity an organization that on its own will not qualify as a 501(c)(3) organization.
- c. Federal or state and local **government organizations**.
- d. **Academic institutions eligible to participate in the [Microsoft Academic License](#)** programs as a Qualified Educational User, as that term is defined in the Microsoft Academic License agreements.
- e. **Healthcare organizations**, with the exception of those that qualify under category [2]; examples of disqualifying healthcare organizations include, but are not limited to, the following:
 - i. **Hospitals**—Healthcare organizations that have a governing body, an organized medical staff and professional staff, and in-patient facilities and provide medical, nursing, and related services for ill and injured patients 24 hours a day, seven days a week.

- ii. **Healthcare networks and health plans**—Hospital-owned vertically-integrated delivery systems, Integrated Delivery Systems (IDS), and managed healthcare networks, including Health Maintenance Organizations (HMO), Point of Service (POS) organizations, Preferred Provider Organizations (PPO), and other specialty networks.
 - iii. **Ambulatory healthcare organizations**—Freestanding nonprofit healthcare organizations, including public health centers, medical/dental clinics, preventative healthcare offices, military clinics, mobile services, and occupational health centers. (**Note:** Certain ambulatory healthcare organizations are eligible to acquire licenses under Category [2].)
 - iv. **Assisted living healthcare organizations**—Organizations that provide assisted living in congregate residential settings that provide or coordinate personal services, 24-hour supervision and assistance (scheduled and unscheduled), and health-related services.
 - v. **Health research organizations and research laboratories**—Organizations with the primary mission of providing systematic investigation of health-related topics, including research development, testing and evaluation, designed to develop or contribute to the knowledgebase.
 - vi. **Home Healthcare**—Organizations that provide healthcare to individuals in their place of residence.
- f. Political, labor, and fraternal organizations.

Note Regarding Your Status as an Eligible Charity Organization

- If you lose your status as an eligible charity organization subsequent to licensing products under this agreement, you may continue to use copies for which you are licensed, but you may not submit a new order for licenses. You may also renew expiring Software Assurance for licenses purchased as a Charity Organization by submitting orders for Software Assurance under any other Microsoft Volume Licensing programs for which you qualify.

