

## CAF America

### Frequently Asked Questions – for Nonprofits

#### Who is CAF America?

Charities Aid Foundation America (CAF America) is an independent, US 501(c)(3) public charity whose mission is to increase the flow of charitable funds outside the US. Founded in 1993, CAF America is a member of the CAF International Network with offices and partner organizations in the United Kingdom, Australia, India, Russia, Bulgaria, South Africa, and Brazil. CAF America makes an average of 1,500 grants annually, totaling more than \$70 million since 2001 alone, to legitimate foreign nonprofits in over 75 countries around the world. We enable Americans to give safely, knowledgeably and securely overseas and offer them international grant making and advisory services. Many different types of donors use CAF America's giving solutions including individuals, companies and their employees, families and foundations.

#### How does CAF America work?

American donors cannot give directly to foreign nonprofits and obtain a tax-deduction. As a US public charity, CAF America is able to accept funds from American donors who can then recommend that CAF America use those funds to support a foreign nonprofit. Details of our administrative cost structure can be found at [www.cafamerica.org](http://www.cafamerica.org).

#### Why has CAF America contacted me?

CAF America has contacted your nonprofit because a US donor has suggested that CAF America make a grant to you. CAF America has to assess your organization under US law to determine that your organization is a legitimate foreign nonprofit, and will use any grant from us exclusively for charitable purposes. We will undertake all necessary due diligence to be compliant with US laws and any additional checks we think necessary to ensure safe international grant making.

#### How does my nonprofit become eligible to receive grants from CAF America?

Any legitimate foreign nonprofit can apply to become eligible with CAF America. You do not have to be suggested by a US donor to do so. If your nonprofit has not been suggested by a donor the application review cost is \$500. The application process is as follows:

- 1. Submit a complete, signed eligibility application form.** When a grant suggestion is made by a donor, CAF America sends your nonprofit a Grant Eligibility Application (GEA). The application has a grant agreement attached which you will need to sign. We also ask you to supply a number of documents to support your application. Please complete and sign the GEA, supply all the documents requested and send them by post to CAF America. We ask you to post the signed GEA to us as we require an original signature for our files. We cannot accept a faxed or emailed copy. Please complete all sections of the GEA in full even if the information requested can be found in the supporting documentation. We cannot accept a GEA that answers a question by referring to another document. You may attach additional sheets if you need more space to answer questions.
- 2. Supply the additional documentation CAF America needs.** CAF America requires the following information in order to consider a foreign nonprofit for eligibility to receive grants. Please see the list below for the exact documents we require you to post to us, and please read these details and any notes carefully as they will answer many of your questions.
  - **Governing documents.** This can be a constitution, by laws, trust deed, memorandum and articles of association, or other organizing documents that describe how the charity is structured and governed. We need both an original language copy and an English translation.\*
  - **Dissolution provision.** If this is not part of the governing documents we need a statement of what will happen to the funds if the charity is dissolved. Dissolution provision must be in English.\*
  - **Director selection process.** If this is not part of the governing documents we need a statement describing the process by which directors and/or trustees are chosen. Director selection process must be in English.\*
  - **Financial documents.** We prefer to review your most recent audited financial statement. We will review a copy of an un-audited statement if you are not required by law to produce an audited financial statement. If you cannot supply a financial statement we ask you to provide a record of your charity's income and expenditures. This could include bank statements, accounting records, or other financial documents and a written narrative explaining the financial position of the charity. If your charity is in the process of establishing itself and does not yet have financial records we will need a detailed budget projection for the upcoming year and will ask for financial statements for the first year of operation. Financial statements must be in English.\*
  - **Independent verification of mission.** This could be an annual report, brochure, website, fundraising material, or any other document that describes the charities mission/purpose. This does not need to be in English.
  - We require a list of **current directors and/or trustees**. Please provide a first name, middle initial, and last name.
  - **Proof of charitable or not-for-profit status** in the nonprofit's country of residence. We require both an original language copy and an English translation.\*

\* English translations do not have to be formal, professionally commissioned, or notarized.

3. **CAFAmerica reviews your application.** Once CAFAmerica receives your completed, signed GEA and supporting documents we begin an extensive review of your nonprofit. We are required to do this by law. In recent years, CAFAmerica has strengthened its grants administration procedures in line with US laws and good international grant making practices. Our procedures are in place to reduce the risk of grants being diverted illegally. Our review of your application checks various aspects of your nonprofit's finances and operations. We look at structure and governance, finances, non for profit status, goals, programs, and how grants would be used.
4. **How long does it take?** From the date we receive your completed, signed GEA and all supporting documentation, application review generally takes between 4-6 weeks. It can take much longer if the GEA is incomplete or we do not receive all the required supporting documentation. We urge you to check the materials thoroughly before you post them to us. You can check the status of your application or ask questions by calling +(1) 703 549 8931 or emailing [apply@cafamerica.org](mailto:apply@cafamerica.org). If you are approved for eligibility we will send you a letter of confirmation, a copy of the grant agreement signed by our Board President, and a gift form to distribute to your donors. While your eligibility status is effective you may receive grants at any time from CAFAmerica and do not need to reapply for eligibility for each grant received.

#### **Notes on completing eligibility:**

- a) By signing the written grant agreement on the third page of the GEA you agree to comply in full with CAFAmerica terms and conditions of eligibility, US law and use of any grant received.
- b) If we have any questions, or need any additional information we will contact you by email, please provide an accurate email address.
- c) Nonprofits may be subject to an independent audit at the discretion of CAFAmerica before a grant is made. A CAFAmerica staff member will contact your organization if an audit is recommended.
- d) We understand that small nonprofits may not have access to an English speaker who can translate the supporting documents.

CAFAmerica is required by law to have all documents in English, but translations do not have to be formal, professionally commissioned, or notarized. CAFAmerica can provide fee-based translation services if they are needed.

#### **Does eligibility expire?**

Yes. Once granted, eligibility with CAFAmerica last for: three years for UK, Australian, and Canadian nonprofit's; two years for nonprofits all other countries. After that time your eligibility to receive grants from CAFAmerica will expire and you will need to renew.

#### **What do I do if my nonprofit's eligibility with CAFAmerica expires?**

When your nonprofit's eligibility is due to expire, you must renew your eligibility status. You will need to complete and sign a new GEA in full, sign an accompanying addendum asking for verification that none of the organizing documents have changed (or, if they have, you will need to submit any updated documents), and submit to CAFAmerica together with your most recent audited financial statement and a current list of directors/trustees.

#### **What else can CAFAmerica do for me?**

We can provide foreign nonprofits with consultancy and advice on the following issues:

1. How to educate donors about international grant making and giving to CAFAmerica.
2. US fundraising plans to encourage support for your organization.
3. How to maximize your relationship with CAFAmerica to increase your visibility amongst donors in the US.
4. An overview of the legal and tax framework that applies to US donors.
5. Donor and charity services available via the CAF International Network.

In addition to making it possible for US donors to help support you by partnering with CAFAmerica, every charity that is eligible with CAFAmerica is listed in our online public database at [www.cafamerica.org](http://www.cafamerica.org). We encourage you to review your profile on the website and inform us about any changes so we can update it regularly. Please also send us information about your projects and successes, particularly about how grants from CAFAmerica have impacted your organization's work. We often feature success stories in our publications.

#### **The CAFAmerica 'Friends of' Charity Fund**

CAFAmerica's 'Friends of' Charity Fund is an exciting, cost-effective alternative for foreign nonprofits who want to build their US donor base. Not only does it save your nonprofit money, it also saves the time and trouble of establishing and administering your own public charity in the US For more information on how the CAFAmerica can help you grow, contact us at [info@cafamerica.org](mailto:info@cafamerica.org).

#### **Talk to us!**

CAFAmerica is here to work with you, to help you grow and impact your local and global communities in meaningful and sustainable ways. We encourage you to contact us any time with questions or comments. We look forward to working with you to continue building strong charitable organizations throughout the world.

#### **Contact CAFAmerica**

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