

# CAFAmerica

## Frequently Asked Questions

### **Who is CAFAmerica?**

Charities Aid Foundation America (CAFAmerica) 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, CAFAmerica 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. We work with many different types of charities to increase the flow of contributions to charitable organizations beyond US borders. CAFAmerica 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 CAFAmerica's giving solutions including individuals, companies and their employees, families and foundations.

### **How does CAFAmerica work?**

American donors cannot give directly to foreign nonprofits and obtain a tax-deduction. As a US public charity, CAFAmerica is able to accept funds from American donors who can then recommend that CAFAmerica 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).

### **How can I be sure that donations made to suggested foreign nonprofits will be safe and effective?**

CAFAmerica makes grants only to not-for-profit organizations outside the United States, which operate for charitable purposes as defined under US law. In order to ensure that each nonprofit is organized and operated for charitable purposes as those terms are understood under US law, each potential grantee is asked to complete an eligibility application and submit detailed supporting documents. The organization and related entities are checked against all government web-based watch lists of banned entities and individuals. CAFAmerica complies with all US laws including the Patriot Act, Executive Order 13224, HR4 (the Pension Protection Act), and the US Treasury Department Guidelines for International Grant making. At CAFAmerica we go beyond the legal minimum to comply with due diligence on foreign nonprofits.

Checking lists and obtaining documentation is only one part of our process. We often undertake independent local verification via the CAF International Network, review international news reports about our grantees each week, and will conduct pre-grant site visits (if requested and paid for by the donor). After a grant is made we may make a site visit to assess how funds have been spent. All grantees are required to submit a grant report to CAFAmerica at the end of each of our fiscal years. Overall, CAFAmerica applies a risk-based approach to grant making. This means we assess a foreign nonprofit against a number of 'risk' factors which include geographical location, length of establishment, length of relationship with CAFAmerica, and whether CAFAmerica can obtain independent verification of a nonprofit's mission and activities, among other factors. CAFAmerica grants administration combines both equivalency review and tests of expenditure responsibility into our process to ensure safe grant making.

It is our job to ensure that international grant making is as easy, and safe as possible. CAFAmerica's risk based approach to grant making is based on knowing as much as we can about our grantees. While we ultimately rely on our due diligence process, we recognize that donors have knowledge of grantees and we are happy to encourage you to share some of your knowledge of foreign organizations with us.

### **How does a foreign nonprofit apply for eligibility with CAFAmerica?**

When CAFAmerica receives a grant suggestion for a foreign nonprofit that is not yet eligible with us we contact the nonprofit directly. Foreign nonprofits may also contact CAFAmerica without a pending grant suggestion. All nonprofits must complete a Grant Eligibility Application (GEA) and submit supporting documents such as proof of nonprofit status in their country of residence, and financial and governing documents. The GEA and list of required supporting documents are available for download on our website or by contacting our office. We are required by law to have original, signed GEAs so we request that all applications be mailed to our office, rather than sent by fax or e-mail. We also need all documents translated into English, as well as provided in the language or origin. If a foreign nonprofit is unable to do the necessary translations we can provide cost estimates based on the language and length of the documents. As a public charity itself, CAFAmerica cannot absorb translation costs for a foreign nonprofit.

Nonprofits, once approved, do not remain eligible forever. Nonprofits in Canada, Australia, and the United Kingdom are eligible for three years. All others are eligible for two years. Nonprofits are welcome and encouraged to renew eligibility.

### **How long does it take for a foreign nonprofit to become eligible with CAFAmerica?**

Usually the process takes 4-6 weeks. On occasion nonprofits can be tardy in responding to CAFAmerica. Staff will follow up with a nonprofit on at least two occasions (about once a month for two to four months) before suggesting an alternate course of action to the donor.

Once a foreign nonprofit has been determined eligible to receive grants from CAFAmerica, we will include the organization in our database of over 2,000 eligible nonprofits, which can be viewed at [www.cafamerica.org](http://www.cafamerica.org) by donors worldwide. This means that the nonprofit may receive additional gifts from CAFAmerica, if gifts are suggested by other donors.

### **What happens if the nonprofit that has been suggested for a grant is not approved?**

We will ask the donor to suggest another nonprofit, or if you prefer, we can suggest a similar nonprofit working in the same field or region. We will provide an explanation as to why we are unable to make the grant. All gifts to CAFAmerica are irrevocable. Control and discretion over the use of funds must remain with CAFAmerica's Board of Directors if our donors are to receive tax benefits. CAFAmerica may reject a grant suggestion if the foreign nonprofit is unable to successfully complete our eligibility application process or there are money laundering, terrorist financing, or other risk concerns.

### **How soon can I expect a decision to be made on a suggested gift?**

A grant to a suggested nonprofit can only be considered once the nonprofit has completed and returned an eligibility application form along with appropriate organizing documents; and has been determined eligible to receive grants by CAFAmerica staff and Board President. CAFAmerica's assessment process is very rigorous to ensure both the fulfillment of our mission and the tax-effectiveness of your gifts. Grant suggestions for eligible organizations are considered by CAFAmerica's Board of Directors on a weekly basis.

### **Where can CAFAmerica make grants?**

Nonprofit organizations located anywhere in the world that CAFAmerica is legally able to make grants can be suggested as grant recipients. Countries embargoed by the US Government or by OFAC are excluded. If the suggested nonprofit is in a country with an undeveloped banking or communications infrastructure, it may take a bit longer than usual to complete the review and and/or granting of the suggested grant. As a public nonprofit we have a great level of flexibility to make grants to a wide range of nonprofits.

### **What should a nonprofit expect once a grant suggestion has been made?**

Once our Board approves a grant suggestion the grant will be sent directly to the foreign nonprofit by wire transfer. A letter outlining the terms of the grant, and acknowledging the donor, will be sent to the nonprofit.

### **How should partnership with CAFAmerica be represented?**

Legally, CAFAmerica may not function or represent itself as a "pass through" organization. It is fine to note in marketing materials that CAFAmerica has worked in consultation, or partnership, with you or your company. Using language such as "This grant is made by Charities Aid Foundation America in partnership with (donor)" makes it clear that CAFAmerica is the grantmaker. If an official or public presentation of the grant is to occur, legally CAFAmerica should be represented as the grantmaker. This is to prevent you from breaking IRS rules on 'excessive donor control'.

### **What do I tell a nonprofit that contacts me inquiring about its suggested grant?**

Please contact CAFAmerica or refer the nonprofit to CAFAmerica at [info@cafamerica.org](mailto:info@cafamerica.org).

### **What other services does CAFAmerica provide?**

CAFAmerica has grant making and advisory solutions for global philanthropic needs. From individuals, to family and community foundations, to independent business and international corporations, CAFAmerica's expertise in safe and effective international grant making can be applied in many ways. We can help decentralized international offices create a cohesive Corporate Social Responsibility program, help a Foundation to identify and direct its philanthropic goals internationally, and help individuals make the most of their gifts. CAFAmerica performs foreign nonprofit research, site visits to foreign nonprofits and to international offices, and provides advisory services to donors and nonprofits. Contact us to learn more.

## **Contact CAFAmerica**

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