

CAFAmerica

Frequently Asked Questions - Friends of Charity Fund

Service

What is a '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 United States. A 'Friends of' Charity Fund is a Fund within CAFAmerica designated for the support of a particular foreign nonprofit. It provides the opportunity for US taxpayers—including individuals, families, public charities, foundations, and corporations—to support a foreign charity by making irrevocable, tax-deductible contributions of any amount (cash or securities) in the care of CAFAmerica to support that foreign nonprofit's Fund.

What is the advantage to working with CAFAmerica?

CAFAmerica offers donors a personalized service. At CAFAmerica, donors and foreign charities can call on staff members who have extensive experience working with advisors, families, and individuals. CAFAmerica has over 15 years of experience in making grants directly to foreign charities. As part of the CAF International Network, CAFAmerica can offer global giving solutions to donor and nonprofits worldwide.

Why should I open a 'Friends of' Charity Fund?

With a CAFAmerica 'Friends of' Charity Fund US donors can give easily and directly to your Fund at no additional cost to the donor. The time and money you save leaves you free to focus on growing your US donor base. When you establish a new 'Friends of' Charity Fund you will receive an introductory packet with a helpful resources and guidelines to fundraising in the United States. A CAFAmerica 'Friends of' Charity Fund also gives you: online, real time access to the status of your Fund; a mechanism for donors to contribute to your Fund directly via your website; a contact name for a member of CAFAmerica staff to answer your questions.

Will CAFAmerica help my organization fundraise in the United States?

No. CAFAmerica cannot fundraise on behalf of another nonprofit. We can, via our consultancy services, identify and put you in touch with reputable consultants and firms who can assist you in devising a US fundraising strategy.

Set-up

How do I establish a CAFAmerica 'Friends of' Charity Fund?

Once your charity is eligible with CAFAmerica you can get started right away. Simply complete our 'Friends of' Charity Fund agreement and return it to our office by post. View the 'Friends of' Charity Fund brochure at www.cafamerica.org. If you have any questions or would like to request an agreement, email us at: info@cafamerica.org.

What should I do before opening a 'Friends of' Charity Fund?

First a charity must become eligible to receive grants from CAFAmerica. Eligibility lasts for three years for the UK, Australian, and Canadian nonprofits, and two years for nonprofits in all other countries. If your nonprofit is not already eligible, please read the Frequently Asked Questions for Nonprofits and download the Grant Eligibility Application (GEA) and procedure from the CAFAmerica website (www.cafamerica.org), and follow all instructions carefully. If you have questions about applying for eligibility please contact CAFAmerica at apply@cafamerica.org.

Now that my nonprofit is eligible with CAFAmerica, what do I do?

Once you are eligible to receive grants from CAFAmerica, contact us at info@cafamerica.org or fax us at +1 (703) 549-8934 to request a 'Friends of' Charity Fund agreement. Complete and sign two copies of the agreement and send them to CAFAmerica by post with a check for: USD 1,500 for the one time set-up fee and USD 5,000 for the first year administrative fee (a total of USD 6,500). Alternatively you may contact CAFAmerica for instructions to wire the fees. CAFAmerica will return one copy of the Agreement to you with an introductory packet of information on your "Friends of" Charity Fund.

How quickly can I set-up a 'Friends of' Charity Fund?

If you are eligible to receive grants from CAFAmerica, complete a 'Friends of' Charity Fund agreement and send it with the fees to CAFAmerica. Your Fund will be established on the first day of the following month and will then be immediately ready to receive contributions from donors.

Fees

What are the administrative costs associated with opening a 'Friends of' Charity Fund?

There is a one time USD 1,500 set-up fee to establish your 'Friends of' Charity Fund. Administrative fees are based on the number of donation received into the Fund each year: annual administrative fee and first 100 donations = USD 5,000; each additional 50 donations (over 100) = USD 1,500.

The annual administrative fee of USD 5,000 is due at the beginning of each 12 month period from the date your 'Friends of' Charity Fund was established. CAFAmerica will contact the Fund administrator at your nonprofit 30 days in advance to alert them that the annual administrative cost is due. The annual administrative fee will be deducted from the balance of your Fund. If the Fund balance is insufficient to cover the annual fee, the fee can be paid by credit card, draft, or wire transfer. Failure to pay the annual administrative fee by the due date will result in the closure of the Fund. Each quarter your 'Friends of' Charity Fund is assessed and any additional fees for donations over 100 per year will be deducted from the balance of your 'Friends of' Charity Fund.

What is the minimum amount needed to open a 'Friends of' Charity Fund?

A 'Friends of' Charity Fund can be opened by paying the set-up and annual fee for the first year of its use (USD 6,500). There is no minimum balance required to maintain the Fund.

Administration

What can I call our 'Friends of' Charity Fund?

You can choose any name for the Fund. Most nonprofits may choose a name that reflects the organization's name and/or the main purpose of the Fund such as "The Jones Charity Appeal Fund."

What happens after I open a 'Friends of' Charity Fund?

CAFAmerica will provide you with login information to access your 'Friends of' Charity Fund online. Here you may download monthly statements and track donations made into your Fund as well as grant distributions made by CAFAmerica. CAFAmerica will also provide you with a Gift Form you may distribute to US donors and a 'Donate Now' button to post on your website so donors can give directly to your Fund online. You are welcome to modify the Gift Form to add your branding, integrate with your publications, etc. CAFAmerica must approve any modified gift form before it is distributed. Failure to obtain approval from CAFAmerica can result in delays in processing donations to your Fund. CAFAmerica requires charity Fund holders to provide a main contact at the charity and the following information for that person: mailing address, phone, fax, email. If the contact or his/her information changes please alert CAFAmerica immediately.

How can I review Fund activity?

A monthly statement including a summary of the Fund balance, a record of donations to the Fund, and a record of grants made will be available online. All Fund activity can be reviewed online in real time using your username and password provided when you establish your Fund.

How long can I keep my 'Friends of' Charity Fund open?

Indefinitely, as long as your nonprofit is eligible with CAFAmerica and fees are paid on time. You can write to CAFAmerica to ask that your 'Friends of' Charity Fund be closed at any time. If you close your 'Friends of' Charity Fund part way through a year, no administrative fees will be refunded. If your eligibility expires and a complete eligibility renewal application is not received by CAFAmerica within 90 days of expiration, the remaining balance of your Fund will become the property of CAFAmerica.

Your 'Friends of' Charity Fund can remain open as long as your nonprofit remains eligible with CAFAmerica. CAFAmerica must receive your complete eligibility renewal application (visit www.cafamerica.org for details) six weeks in advance of the expiration date of your eligibility to allow sufficient time to process your renewal application. If your eligibility with CAFAmerica lapses you may be required to submit a new 'Friends of' Charity Fund agreement and set-up fee.

Donations

Who can contribute to my 'Friends of' Charity Fund, how much, how often, and how do they do it?

Anyone can make a donation to your 'Friends of' Charity Fund - individuals, families, companies, public charities and foundations. Donors can use a Gift Form (available at www.cafamerica.org and provided to you), give online at www.cafamerica.org, or via your own website (a 'Donate Now' button for online gifts will be provided to you). A donor may give to your Fund at any time. The flexibility of the Fund allows your donors to determine their giving timetable.

What assets does CAFAmerica accept?

- Cash (by check, money order, or credit card; currency is not accepted)
- Publicly traded securities including stocks, bonds, mutual fund shares
- Proceeds from life insurance or from a full-paid policy
- Grants from private foundations (corporate, private, family) and public charities
- Bequests from wills
- Named beneficiary of charitable remainder trust
- High-value, non-liquid assets to be liquidated (on a case-by-case basis)

Are contributions to the 'Friends of' Charity Fund tax-deductible for US donors?

Yes. CAFAmerica is a US 501(c)(3) public charity and US taxpayers are eligible for a federal income tax deduction for a charitable contribution on the date the contribution is made to CAFAmerica. This is subject to the deductibility limitations set by law. Please advise your donors to consult their legal or tax advisor to review their personal situation.

Will CAFAmerica send a receipt to donors who contribute to a 'Friends of' Charity Fund?

Yes. Generally within 30 days of receipt a gift, CAFAmerica will provide written confirmation of the contribution. This confirmation will serve as the receipt for tax purposes.

How quickly are contributions processed?

Publicly traded stocks are usually liquidated within two business days after our broker receives them from the donor and take up to two weeks to be applied to your Fund. Single contributions over USD 50,000 may take longer to process. Checks drawn on foreign banks may take several additional weeks to process.

Can a donor give to a 'Friends of' Charity Fund and then attend an event or receive membership benefits?

CAFAmerica does not make grants that will be used to supply goods or services back to the donor, such as but not limited to food and beverages, gifts, prizes, travel, scholarship or tuition, membership, event tickets, etc. If you plan to offer benefits for membership dues please contact CAFAmerica for more information.

Can a contribution be made to a 'Friends of' Charity Fund from another Fund at CAFAmerica?

Contributions to 'Friends of' Charity Funds can be made from any Donor Advised or Matching Donor Advised Fund at CAFAmerica. Contributions to a 'Friends of' Charity Fund cannot be made from another 'Friends of' Charity Fund.

Grants**How often will I receive grants from my 'Friends of' Charity Fund?**

CAFAmerica will pool all contributions received from donors and will make a quarterly grant to your charity by wire transfer for the total balance of your 'Friends of' Charity Fund less any administrative fees due.

What if I need a grant sooner?

At the request of the nonprofit that established the Fund CAFAmerica may, under special circumstances, make a grant within two weeks of the request. Request for one time grants must be submitted in writing. CAFAmerica may assess a fee of 5% of any grant made outside of the quarterly grants cycle.

Would a grant be declined from a 'Friends of' Charity Fund?

The CAFAmerica Board of Directors may decline to make a grant to your nonprofit if: your nonprofit's eligibility to receive grants from CAFAmerica has expired; your nonprofit fails CAFAmerica's grantmaking due diligence procedures conducted at the time of the grant suggestion; the grant supports lobbying, campaigns, or other political activities; benefit is provided to the donor such as tickets to a fundraising event or a purchase at an auction without CAFAmerica's knowledge or permission; or the grant is used to pay tuition for a relation of the donor.

Contact CAFAmerica

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