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The Vine Trust – Providing Medical Care for Poor and Isolated Communities Along the Peruvian Amazon



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medical and social support to some of the poorest communities in the world. The trust is currently focusing on projects in Peru where, in partnership with local agencies, it aims to deliver a primary health care service for up to 100,000 people along the Peruvian Amazon and its tributaries.

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NEWS IN BRIEF

Recent legislation, U.S. charitable giving in 2005, July meeting in London of fundraising professionals from around the world, CAF America 'Friends of' Charity Fund launch in Australia, CAF Bulgaria 10th anniversary celebration.

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Dear Colleagues and Friends,



As autumn is upon us, so has the 'giving' season in the United States begun. We have been busy this summer designing a new

E-Newsletter that will go to our donors, nonprofits working overseas, and to those who have an interest in international philanthropy. Over time we hope to provide you with more information and analysis about international philanthropy, showcase the work of some of our grantees, inspire other donors to get involved in international philanthropy as well as keep you up to date with any news from our office.

Americans are not only capable of giving and investing in nonprofits working overseas to achieve lasting social change, but it is vital that they do so. CAF America's role in international philanthropy is to act as a secure bridge to enable donors to give globally to support nonprofits of their choice. Through CAF America's information, advice and due diligence, U.S. donors can give in a knowledgeable way and their grants have a greater chance of achieving a long-term impact...

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Letter from Susan K.E. Saxon-Harrold

Dear Colleagues and Friends,



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In this newsletter I hope you will find the two short stories informative and interesting. One story highlights how two donors use CAFAmerica to support an orphanage in Latin America, and the other outlines how a nonprofit is taking the initiative to raise funds for its work via CAFAmerica. In the News in Brief section we also overview some recent legislative activity in the United States, and some exciting new developments for CAFAmerica as well as for international philanthropy. Future E-newsletters will highlight some of the work of other CAF International offices and how we work with U.S. corporations who want to align their business objectives with their international philanthropy.

As we move ahead we hope to provide more in-depth information and analysis. We also welcome stories from our donors and charities about their experiences working with CAFAmerica to realize their international philanthropic goals. Please feel free to [email me](#) with stories or suggestions on topics you would like to see covered in this newsletter and we will do our best to include them.

All good wishes from Alexandria

A handwritten signature in black ink that reads "SKE Saxon-Harrold". The signature is written in a cursive style and is positioned above a short horizontal dashed line.

Susan K. E. Saxon-Harrold
Chief Executive Officer

The Vine Trust – Providing Medical Care for Poor and Isolated communities Along the Peruvian Amazon

The Vine Trust, a charity registered in Scotland, provides medical and social support to some of the poorest communities in the world. The trust is currently focusing on projects in Peru where, in partnership with local agencies, it aims to deliver a primary health care service for up to 100,000 people along the Peruvian Amazon and its tributaries. Historically, tribes in this area have received little or no medical treatment and life expectancy has been low because many treatable diseases are left unchecked.



Healthcare is delivered primarily through a Medical centre in Iquitos shanty town, run by experienced medical teams from Peru, the United States and the United Kingdom. The centre is supported by Amazon Hope 1, an ex-Royal Navy fleet diving tender that has been converted into a floating medical clinic. This enables the trust to reach people in very remote Amazonian communities that are inaccessible by road. The boat has a relatively shallow draught which means it can travel up many of the Amazon's tributaries even during the rainy season.

Keen to increase its ability to reach more remote communities the trust recently arranged for another tender to be outfitted. And in June, Amazon Hope 2 set sail from Barrow in the UK on a four week tour of the east coast ports in the United States. The purpose of this was to recruit volunteers for medical teams and to raise awareness of the Trust's work in Peru.



The tour received a lot of positive interest from medical and other professionals, the general public and the media. This in turn generated a large number of donations from U.S. supporters. To make the giving process easy for its U.S supporters, the Trust had previously established a 'Friends of' Charity Fund with CAFAmerica. This provided an easy, secure, and effective resource for working with donors in the United States, many of whom have continued to give.

Many have also volunteered to join medical teams or work parties. Jim Marshall, Director of the Vine Trust, Scotland, said:

“We have been encouraged by the enthusiasm from everyone we met while the Amazon Hope 2 was visiting the U.S. Indeed, some people we met have made contact with us already, offering their skills to work in Peru.



“The support of CAFAmerica throughout this promotional tour was also significant. In order to make gifts from U.S. donors tax effective, we had originally planned to set up our own approved IRS charitable body in the U.S. However, this would have been complex and particularly costly, so CAFAmerica’s ‘Friends of’ Charity Fund service was a perfect solution for us.”

To secure support for future missions we are planning a post and email fundraising campaign in the U.S. and our ‘Friends of’ Charity Fund will certainly make this easier and more effective.”

After a long and tiring journey, which saw the small ship sail across the Atlantic Ocean, through the Caribbean Sea and then navigate the mighty Amazon, Amazon Hope 2 has now reached Iquitos. It was warmly welcomed by everyone and has joined Amazon Hope 1 to deliver much-needed healthcare to remote communities.

MAKING CONNECTIONS: CAFAmerica Helps Donor Support Ecuadorian Orphanage

New York financier Owen Brown and his daughter, Marissa, were searching for a way to help disadvantaged children in the developing world when they learned about a small orphanage in Ecuador. After a two-week visit in June 2005 with the orphanage’s children and staff in the Ecuadorian capital of Guayaquil, the Browns were convinced they had found a special place. Today, Mr Brown supports the work of the orphanage through a Donor Advised Fund established with CAFAmerica.



“I left after those first two weeks believing I could do something more for these kids, and CAFAmerica has allowed me to see it through,” Brown said.

“We’ve really grown to love these kids and we feel we have a real stake in their future.”
— Owen Brown

Brown’s fund, called Childhood Promise, made its first grant to the Benemerita Sociedad Protectora de la Infancia, which runs the orphanage, in August 2006. The \$5,000 grant was designated for salary for an English teacher and the purchase of a new refrigerator and freezer. Brown anticipates that the fund will make grants of up to \$24,000 per year to the orphanage for everything from birthday parties for the 29 children who live there to enrollment fees for trade schools and summer camps.

“The idea is to provide added support so we can help make sure these kids have what they need to succeed,” Brown said.

As of the fall of 2006, Owen and Marissa Brown, 18, had visited the orphanage three times for at least five days each. Plans were in the works for another visit

in November 2006 along with Brown's other daughter, who is 15. (Brown and his wife also have a son who is 9 years old.) The trips have provided Brown with a deep respect for the women who run the orphanage, and a deep love for the children who live there.

"Without this place, these children would not have a future," Brown said. "And I think it's important to show both the children and the adults there that someone from outside understands what they are up against, and how they are working to build a better tomorrow."

Brown came into contact with CAFAmerica after consulting with an attorney about the mechanics of setting up his own charity to fund the orphanage's work.

"It's just so complicated to try and do this kind of thing on your own," he said, citing the time and expense involved in conducting due diligence research, obtaining government approvals, and the like. With CAFAmerica, he said, the process "could not have gone more smoothly."

In addition to making his own contributions, Brown has encouraged many of his friends to donate to the Childhood Promise fund with CAFAmerica. Looking ahead, he envisions supporting another orphanage in Ecuador or elsewhere in South America. But for now, he and his family are focused on what's happening in Guayaquil.

"We've really grown to love these kids and we feel we have a real stake in their future," Brown said.

For more information [click here](#).

NEWS IN BRIEF

Congress Steps Back from Onerous New Restrictions on DAFs



Over the past two years, CAFAmerica has been following closely the congressional debate on charitable reform. Our chief concern has been the impact that new policies might have on the ability of our donors to support important charitable causes overseas. At various times, it has appeared that Congress was set to erect new barriers to international giving, mainly through restrictions on overseas grants from donor advised funds (DAFs).

However, with President Bush's approval of the Pension Protection Act of 2006 (H.R. 4) in August, we are pleased to report that the legislation will give donors greater confidence that grants made overseas from a DAF can be made safely and securely. For the first time a donor advised fund has been defined in law and penalties have been introduced for grants that benefit a donor or DAF advisor.

Under the new law, a DAF will be able to count any payment to the sponsoring organization as part of its qualifying distributions. Payments to organizations not defined as public charities (including international organizations) are also allowed, providing they are exclusively for a charitable purpose. This means that CAFAmerica can continue to make grants to foreign charities as it has for 13 years without any significant changes to our operations or impact to our donors.

H.R. 4 Impact on Donor Advised Funds (DAFs)

1. Prohibited Grants

- To individuals;
- To any entity if the grant is not for a charitable purpose.

2. Expenditure Responsibility – all grants made by CAFAmerica fall under the requirement of expenditure responsibility. CAFAmerica already conducts expenditure responsibility on all grants. Public charities may perform either expenditure responsibility or equivalency determination testing on a foreign grantee. Expenditure responsibility requirements include: pre-grant inquiry, possible site visits, and annual reports on all grants to ensure grants are used for charitable purposes.

3. Prohibited Benefits – Penalties of 125% of the amount of benefit to recipient or recommender, and 10% to grantmaker for any grant made where the advisor of a DAF or related parties receive more than incidental benefit.

4. Treasury Department Study – to be completed within one year and to determine:

- Whether contributions to DAFs should be tax deductible;
- Whether DAFs should have an annual minimum distribution requirement;
- Whether donors should retain advisory rights;
- The impact of the preceding issues on other types of charitable contributions.

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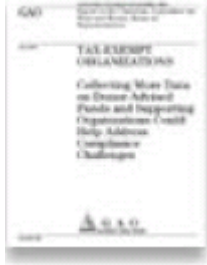
“Principles of International Charity” Task Force

Additionally the Council on Foundations has convened the task force: “Principles of International Charity” to submit an alternative proposal to guidelines developed by the U.S. Treasury Department for international grantmaking. The Treasury Department released the new guidelines on September 29. The guidelines are voluntary, but the government will strongly encourage charities to let authorities know about matches to terrorist lists, suspicious activities, and to follow all other guidelines set forth to encourage secure grantmaking practices.

[Click here](#) for more information

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GAO Report: Better DAF Reporting Needed



A recent report from the U.S. Government Accountability Office (GAO) suggests that the federal government should collect more data on donor advised funds (DAFs) and tax-exempt entities set up to support other public charities. The report says that Washington needs to do more to make sure these philanthropic vehicles are being used to support legitimate charitable causes.

The GAO report was requested by members of Congress amid concerns that DAFs and supporting organizations, which hold billions of dollars in assets, were being abused. After finding that the Internal Revenue Service faces clear challenges in identifying and prosecuting abuses, the GAO recommended that the agency require more comprehensive reporting of data from DAFs. CAFAmerica believes it is well-positioned to provide the kind of reporting recommended by the GAO. We also welcome the opportunity to demonstrate that our donors are using DAFs to support legitimate charities that are doing important work around the world.

To read the full GAO report [click here](#).

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'Friends of' Charity Fund seminars in Australia

This November CAFAmerica will be launching its 'Friend of' service in Australia and to mark the event will host a number of free seminars. These events will be suitable for any charity thinking about starting a fundraising program in the U.S. or looking for ways to improve its existing activity. The events planned so far will take place in Sydney (7 November 2006 and 8 November 2006) and Melbourne (9 November 2006) and each seminar will include:

- Launch of CAFAmerica's new 'Friend of' Charity Fund;
- An outline of who in the U.S. gives to Australia and why;
- How CAFAmerica and CAFAustralia can assist in attracting funds from donors in the U.S.

To register for one of these free events simply send an email to [Fiona Fountain](#) including your name, organization or charity name, telephone number, mailing address and email address as well as the date and place of the event you'd like to attend. Please also put the reference EN106 in the subject line.

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6% rise in U.S. Charitable Giving in 2005

Americans gave \$260 billion in charitable contributions in 2005, a 6.1 percent increase over the previous year, according to the latest Giving USA report. According to the report, 2005 saw an “extraordinary philanthropic response” to major natural disasters around the world, including Hurricane Katrina and the rebuilding in the wake of the December 2004 tsunami in Asia. However, the report also noted some clear “crowding out” in the international arena, as organizations not directly involved in disaster relief saw their voluntary income fall.

Individual giving rose by 6.4 percent between 2004 and 2005 and accounted for more than three-quarters (76.5 percent) of all U.S. philanthropy, the report said. If charitable bequests are included, the individual share of giving rose to more than 80 percent. Foundation grantmaking was 11.5 percent of giving, and corporate donations accounted for the remaining 5.3 percent.

For more on this story [click here](#)

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Fundraising Associations Partner to Develop Global Fundraising Principles

Representatives of fundraising associations from around the world gathered in London in July to continue their development of an international statement of ethical principles and gather input from regulators. The statement is designed to provide a focus for self-regulatory action and to demonstrate to regulators that the sector is capable of responsible oversight of its activities.

The process was initiated by the Association of Fundraising Professionals (AFP) back in 2003. Andrew Watt, vice president for international development with the AFP, said:

”The new interest in field-wide standards stems in part from concern among government officials about increasing cross-border transfers of funds. Regulators see charitable donations and grants as providing an opportunity for covert funding in support of terrorist organizations. As a consequence, there is a move in the United States and Europe, the Far East and Latin America towards tighter regulation of fundraising activities.”

“The London meeting elicited broad support for the document and a final draft is currently in development. The hope is that it will be ratified at the International Fundraising Conference in Amsterdam in October 2006.”

CAF America welcomes the initiative to develop international fundraising standards as part of a continued global effort to ensure safe and effective cross-border grantmaking.

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CAF Bulgaria 10th Anniversary Celebration



On September 18th CAF Bulgaria celebrated its 10th Anniversary with a day of events and presentations in Sofia. Over 100 participants listened to the experience of directors from CAF international offices with knowledge and expertise on topics as broad as fundraising, corporate social responsibility, and cause related marketing. CAFAmerica CEO Susan Saxon-Harrold gave a presentation on engaging U.S. donors to 68 participants. The presentation encouraged Bulgarian charities to take advantage of Bulgaria's acceptance into the EU as an opportunity to seek out new sources of income, including support from U.S. donors and establishing relationships with U.S. based companies operating in Bulgaria. Visit the [CAFAmerica website](#) for information and other publications about the celebration. Look for more details from presentations by CAF international directors in the next CAFAmerica e-Newsletter!

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CAFAmerica News & Updates

- CAFAmerica has recently updated its Grant Eligibility Application (GEA). For our most current version, [click here](#). Old versions of the GEA will not be accepted.
- If you have not yet submitted your 2005/06 Grantee Report, please do so! The deadline was July 31, 2006. We cannot make grants to organizations who have not submitted a completed report. Please contact CAFAmerica if you have questions about completing your report.
- It's giving season again! As fall gives way to winter, CAFAmerica stands ready to help donors with their end-of-the-year giving. Please contact [Chani Robinson](#) to discuss how we can help you achieve your giving goals for 2006.
- Our office will be closed from noon Friday, December 22 through Monday, January 1st to allow CAFAmerica staff to spend time with friends and

family over the holidays. All donations post-marked on or before December 31, 2006 will be counted as tax-deductable in 2006.

- As of March 15, 2006 CAFAmerica is only able to accept single gifts of \$500 or more. This does not apply to 'Friends of' Charity Funds or Donor Advised Funds. For a list of exemptions from the minimum donation amount [click here](#).
- Just a reminder, our office hours are from Monday through Friday, 9:00am to 5:00pm EST. If you need to reach us outside of these hours, please leave a voicemail message or send an [email](#).