



**Dear Colleagues,**

Welcome to the March 2006 E-Bulletin for CAF America donors. In this issue, we evaluate a congressional proposal that could pose a serious threat to international grantmaking by U.S. donors. We also announce a new minimum gift size for single gifts to CAF America and unveil a new service to help overseas charities expand their U.S. fundraising.

As always, we welcome your comments and reactions. Thanks again for your support!

*S.K.E. Saxon-Harrold*

**Susan K.E. Saxon-Harrold**  
Chief Executive Officer

## Table of Contents

1. Congressional Measure Poses Threat to International Giving
2. Change in Minimum Size for Single Gifts to CAFAmerica
3. CAFAmerica Offers New U.S. Fundraising Tool for Overseas Charities
4. Other News from CAFAmerica

### » **Congressional Measure Poses Threat to International Giving**

The last few years have seen Congress take up an array of issues affecting philanthropy and the nonprofit sector. However, no proposal to date has posed such a potentially severe threat to the work of international grantmakers as S. 2020. This Senate plan would effectively prohibit grants to non-U.S. based, international charities from donor advised funds.

In December 2005, CAFAmerica wrote to U.S. Rep. William Thomas, chairman of the House Committee on Ways and Means, to state its strong opposition to S. 2020. However, the measure was passed by the Senate and has been under consideration by a conference committee charged with reconciling House and Senate tax relief legislation. CAFAmerica has subsequently written to each member of the conference to reinforce its position.

S. 2020 would substantially limit the use of donor advised assets to make grants to nongovernmental organizations (NGOs) outside the United States. At best, grants would be permitted only after an expensive and time-consuming evaluation of the foreign NGO to establish that it is the 'equivalent' of a U.S. charitable organization. In CAFAmerica's view, the provision would substantially reduce much needed support for charitable activities in other countries.

Since April 1995, CAFAmerica has received a total of \$34 million in contributions from U.S. taxpayers, which we have subsequently distributed to nonprofit organizations to perform charitable activities in more than 73 countries. In just the last couple of years, increasing numbers of donors have opened donor advised funds with CAFAmerica as a way to manage their overseas giving.

CAFAmerica understands the Senate's concern about the perceived lack of accountability involving donor advised funds. In fact, we have worked diligently to establish procedures that ensure accountability over the use of our charitable assets. CAFAmerica undertakes pre-grant inquiries with respect to foreign organizations, makes grants pursuant to written agreements, and requires reporting from grantees on the use of funds. Under certain circumstances, CAFAmerica also visits grantee organizations.

CAFAmerica will continue to be in contact with congressional staff about S. 2020, and will work collaboratively on the issue with associations representing charitable organizations. Our goal is to help shape solutions that will have a minimal impact on our donors and we will keep you informed of our progress.

[back to top >>](#)

### » **Change in Minimum Size for Single Gifts to CAFAmerica**

With effect from March 15, 2006 CAFAmerica has limited single donor advised gifts to \$500 or more. The new donor advised gift minimum does not affect any of our other charitable services, including the CAF American Donor Fund, as well as contributions to and grants from Donor Advised and Matching Donor Advised Funds (DAFs & MDAFs).

The reason for the change is the increasing costs involved in ensuring safe and effective cross-border grant making, particularly in the post 9/11 environment. While other international grantmakers have introduced minimum single grant amounts of \$5,000 to foreign charities and \$25,000 to open a donor advised fund, CAFAmerica has continued to allow U.S. donors to give smaller amounts. The new \$500 donation minimum enables us to continue making cross-border giving accessible to U.S. donors, while ensuring cost-effective

administration of grants.

If a U.S. donor wants to support foreign charities on a regular basis (10 or more gifts per year), then we suggest they open a donor advised fund with CAFAmerica. The minimum amount needed to open a donor advised fund is \$6,000. For more information on opening a donor advised fund with CAFAmerica, click [here](#).

[back to top >>](#)

#### ✦ **CAFAmerica Offers New U.S. Fundraising Tool for Overseas Charities**

CAFAmerica's donors should know about an exciting and cost-effective new service that CAFAmerica is offering to help non-U.S. charities fundraise more effectively in the United States.

In recent years, many non-U.S. charities have created their own 'Friends of' organizations to boost fundraising in the United States and attract tax-deductible contributions from U.S. donors. However, according to tax experts, the costs of creating and sustaining a stand alone 'Friends of' 501(c)(3) organization can be significant, with up front charges alone of between \$8,000 and \$16,000 and annual fees of thousands more.

CAFAmerica's new 'Friends of' Charity Fund allows non-U.S. charities to avoid the expense and hassle of creating and administering their own charitable organization in the United States. Upon signing a 'Friends of' Charity Fund agreement with CAFAmerica, non-U.S. charities are able to use their Fund to collect tax-deductible contributions from U.S. donors in any amount and at a cost of far less than operating their own U.S. 501(c)(3).

We encourage all CAFAmerica donors to make their favorite overseas charities aware of this important new service. Donors can also sponsor a CAFAmerica 'Friends of' Charity Fund for a non-U.S. charity. For more information about the CAFAmerica 'Friends of' Charity Fund, click [here](#).

[back to top >>](#)

#### ✦ **Other News from CAFAmerica**

**New Website on International Giving.** The Council on Foundations, in partnership with the International Center for Not-for-Profit Law, has restructured its [United States International Grantmaking](#) website. This provides valuable information on international grantmaking for U.S. foundations and other donors.

**Hot Off the Presses!** CAFAmerica's 2005 Annual Report is now available. It includes a number of inspiring profiles of donors and grantees that are having an impact on important issues around the world, from Tsunami relief, to children's health, to microfinance. To obtain a copy online, please click [here](#). Or contact CAFAmerica directly at [info@cafamerica.org](mailto:info@cafamerica.org) to request the printed report.

[back to top >>](#)

#### **Feedback**

Constructive feedback on our e-Bulletin is always welcome. If you have any comments or suggestions, please click [here](#).

#### **Unsubscribe**

If you no longer wish to receive CAFAmerica's e-Bulletin, please click [here](#).

#### **Forward to a friend**

If you would like a friend to obtain a copy of this e-Bulletin, please click [here](#).

[back to top >>](#)