



Dear Friends,

As part of its drive to develop ever-stronger partnerships with charities in 2006, CAF America has been busy throughout February and March launching its new 'Friends of' Charity Fund. This is a genuinely exciting development for CAF America; one that will provide non-U.S. charities with a cost effective way to receive gifts of any size from U.S. donors without having to set up a separate charity in the United States to do so.

The service has been launched in the UK with a round of well attended seminars. We will keep you posted as the 'Friends of' Charity Fund becomes available to charities throughout the rest of the world.

In this e-Bulletin, we take a detailed look at the new service. We also consider fundraising in the U.S and just who it is that gives.

A handwritten signature in black ink that reads 'SKE Saxon-Harrod' followed by a horizontal line.

Susan K.E. Saxon-Harrod
Chief Executive Officer

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CAFAmerica launches new 'Friends of' Charity Fund

CAFAmerica's new 'Friends of' Charity Fund is designed to make the process of running a U.S. fundraising appeal easier and more cost effective for overseas charities.

In the past, non-U.S. charities wanting to run a U.S. fundraising appeal have had to create a new legal, not-for-profit identity (a 501(c)(3)) in order to collect donations from U.S. donors. For most non-U.S. charities, the time and costs involved in doing this have simply made the whole process uneconomic to operate, especially as typical set-up charges are estimated to be somewhere between \$8,000 – \$16,000, with annual state registration fees, operation and governance costs associated with running a U.S. 501(c)(3) charity adding thousands more.

To open a CAFAmerica 'Friends of' Charity Fund, however, there is a one time set-up fee of \$1,000, and an annual fee of \$3,000 which covers the receipt of the first 100 gifts into the Fund. We have tried to keep the cost of the Fund at a minimal level, making our new service attractive to small and large charities alike.

Once up and running, donors in the U.S. can make contributions into the Fund at any time and of any size. In return, they receive a tax receipt from CAFAmerica that enables them to claim an annual tax deduction. The administration and due-diligence associated with the donor gift and grant payment is handled by CAFAmerica, leaving charities free to focus on fundraising in the United States.

When communicating with U.S. donors, charities will need to explain that they are not registered as a charity in the United States because they have a 'Friends of' Charity Fund at CAFAmerica. This will be a big selling point to U.S. donors because they will be reassured they are giving into a Fund run by a reputable charity; as will the fact that the considerable administration involved in giving money to foreign charities is taken care of for them for free.

Charities using the new service receive secure, password-protected access to their 'Friends of' Charity Fund and can check balances, donations, and grants in real time. They will receive a comprehensive starter pack to help them kick-start their U.S. fundraising appeal. CAFAmerica can also provide additional fee-based guidance and research to help charities identify and approach potential donors.

The 'Friends of' Charity Fund is also an excellent resource for non-U.S. charities looking to run a one-off fundraising appeal in the U.S. as the Fund can be simply closed once the appeal is finished.

Should you already have a registered 501(c)(3) charity in the United States but are struggling to make it work, why not consider closing it and open a CAFAmerica 'Friends of' Charity Fund instead! You should recoup the \$5,000 legal costs to close your U.S. 501(c)(3) charity in probably less than a year.

To download a brochure and Frequently Asked Questions (FAQs) about the new service, please click [here](#).

How to establish a 'Friends of' Charity Fund

Only CAFAmerica eligible charities may use the new service. In order to become eligible, charities need to complete a Grant Eligibility Application and undergo a short review. The cost of this review is \$60.00 (£40.00 Sterling). A copy of the application form is available by clicking [here](#).

Charities that are already eligible need only complete a 'Friends of' Charity Fund agreement. Agreements are available from CAFAmerica (info@CAFAmerica.org).

If you have any questions about the new 'Friends of' Charity Fund or any of our other services please contact us by [email](#).

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✎ U.S. Fundraising – Who gives?

Americans want to give to charity. This is because, unlike most other countries in the world, including the UK, the U.S. tax system rewards the donor with a tax deduction, rather than the receiving charity.

Consequently, donors are keen to give and this is reflected in the fact that private giving in the U.S. tops \$220 billion each year! In the UK, private giving is around \$16 billion. And what is even more surprising is that only around 4% of this \$220 billion comes from companies and 85% comes from individuals.

But perhaps the most significant fact for overseas fundraisers is that around 15% goes to charities outside of the United States. That's around \$33 billion each year, so there is clearly huge scope for overseas charities to fundraise from the U.S.

You can find out more about who gives in the U.S in the summary of *CAFAmerica's Solutions for Fundraising in the United States* by clicking [here](#). The full report is made available to charities that establish a 'Friends of' Charity Fund.

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✎ Other News

1. **Master class.** We are considering the development of a master class on 'Fundraising from the United States' which could be delivered as an event, a teleconference or a viewable web-cast. If such training might be of interest to you please let us know by sending an email to info@cafamerica.org Please include your contact details and insert 'Fundraising from the United States' in the subject line of the email.
2. **Annual Report.** 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](#).
3. **New limit on single donor advised gifts.** From March 15, 2006, CAFAmerica is limiting single donor advised gifts to \$500 or more. The new donor advised one-off gift minimum does not affect any of our other charitable services, including the new 'Friends of' Charity Fund.

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Feedback

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