



Dear Colleagues,

Welcome to the inaugural issue of the CAF America e-Bulletin for donors!



With this new communications vehicle we hope to provide current and prospective donors with timely and insightful information about giving overseas.

Among the topics we plan to cover in this and future issues:

**Trends in international philanthropy** - from the growing importance of due diligence and safety in giving, to philanthropic activity in specific issue areas (such as AIDS or the environment) and regions of the world;

**Tools and strategies for border-less giving** - perspectives on how to make the most of everything from individual gifts and donor advised funds to creating a broader program of international philanthropy;

**News from CAF America** - including updates about new services and programs that can help make your international giving safe, easy and effective.

At CAF America we want to do everything in our power to help you make the most of your international giving. We look forward to providing you with this new source of timely and helpful information, and we welcome your comments and suggestions.

*SKE Saxon-Harrold*

Susan K.E. Saxon-Harrold  
Chief Executive Officer

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## Giving Safely in a Dangerous World

The Butler Family Fund is a Washington, DC-based foundation whose primary focus is grantmaking in the United States. However, with one branch of the extended family living in the United Kingdom, the fund enlists the help of CAFAmerica to make anywhere from five to ten grants each year to UK-based charities.

"Working with CAFAmerica has made life a lot easier," said Martha Toll, the fund's executive director. "It's not just a matter of ease of administration. There's also the comfort of knowing that CAFAmerica conducts the due diligence work of researching these charities and confirming their legal status."

Since the events of September 11, 2001 due diligence has become an urgent concern for U.S. donors supporting charities overseas. New IRS rules, the USA Patriot Act and other counter-terrorism measures have placed international grantmaking under the spotlight as never before. As a result, donors face an array of new requirements aimed at ensuring that their charitable dollars do not end up supporting nefarious causes.

The two major developments affecting international giving in recent years are a Presidential Executive Order and the USA Patriot Act:

- Executive Order 13224: This executive order, signed by President George W. Bush, prohibits transactions with individuals and organizations that are believed to be associated with terrorism; this includes financial support, in-kind support and technical assistance.
- The USA Patriot Act: This measure, enacted in October 2001, imposes significant fines and terms of imprisonment for any entity that provides material support or resources knowing or intending that they will be used in terrorist acts.

The Treasury Department has issued voluntary guidelines designed to help nonprofit organizations and grantmakers comply with both the Executive Order and the Patriot Act. However, these guidelines have proved quite controversial, proposing that grantmakers and nonprofits try to implement compliance procedures as stringent as those that are required of private financial institutions such as U.S. banks.

What does all of this mean for U.S. grant makers interested in supporting charities overseas? Well, the first thing it means is that you should not be dissuaded from your commitment to global giving. Second, one of the best

ways to ensure that you are giving safely in a dangerous world is to have CAFAmerica do your due diligence work for you.

At CAFAmerica, we make every effort to ensure that all CAFAmerica grants go only to legitimate foreign charities. By researching charities and issues, conducting site visits, and requiring detailed reports from all grantees, we have established an unmatched record of safe and effective global grantmaking. What's more, we constantly monitor regulations for change and continue to play an active part in discussions about the Patriot Act and related laws.

We look forward to continuing our work with you to make your international giving easy, safe and effective. By taking its due diligence responsibilities seriously, CAFAmerica is working to advance the cause of legitimate borderless giving throughout the world.

You can view a Clean Bill of Health letter from CAFAmerica's legal counsel attesting to our compliance with IRS requirements by clicking [here](http://www.cafonline.org/cafamerica/terrorismletter.pdf) (<http://www.cafonline.org/cafamerica/terrorismletter.pdf>). For more information about U.S. giving regulations, please click <http://www.irs.gov/pub/irs-pdf/p526.pdf>

CAFAmerica's official anti-terrorism policy was adopted in January 2004. It reads:

It is CAFAmerica policy to make grants to organizations exclusively in furtherance of charitable purposes, as defined by the U.S. Internal Revenue Code. Accordingly, CAFAmerica substantiates the charitable status of each recommended grant recipient. In addition, CAFAmerica monitors watch lists and other releases of U.S. government agencies regarding organizations suspected of supporting terrorist activities. If CAFAmerica is unable to verify the charitable status of an organization or if an organization is suspected of supporting terrorism, CAFAmerica will not approve a grant recommendation to that organization.

## **Giving Solutions: CAFAmerica Donor Advisory Services**

Due diligence is not the only benefit of working with CAFAmerica. As a member of the CAF International Network we offer donors the benefit of several decades of experience in international philanthropy.

CAFAmerica staff work closely with grantmakers to design the most effective grantmaking strategies and to identify timely opportunities to support specific causes and organizations.

As a CAFAmerica donor, you can select from a variety of support services designed to make your grantmaking easier and more effective.

Our donor advisory services include:

- Providing focused analyses of charitable giving in a grantmaker's field of interest
- Identifying potential grantees and reporting on their work
- Arranging site visits for grantmakers to see the work of potential grantees
- Monitoring grantees to assess their effectiveness in achieving their goals
- Connecting donors with other philanthropists, as appropriate, so they can network and co-ordinate their international giving

If you'd like to find out what CAFAmerica can do to help you devise and implement a strategy to make the most of your international giving, contact us today by emailing ([info@cafamerica.org](mailto:info@cafamerica.org)).

## **News**

### **Grants**

CAFAmerica is pleased to report that it has awarded \$9.57 million in grants during the 2004 fiscal year, up from \$9.3 million the year before. These grants went to 1,100 charities operating in 73 countries throughout the world.

### **Online Access to your Donor Advised Fund**

From December, if you have a donor advised fund with CAFAmerica, you will be able to access your fund statement, see the grant transactions you have made and make grant suggestions to foreign charities online. You can even send us a note or instruction through the CAFAmerica donor web. You will shortly receive a letter outlining your user name and password, which will give you access to our donor web (<http://www.cafamerica.org>). We hope that this will make it easier for you, as a fund holder, to communicate with CAFAmerica.

### **New Staff**

Two new staff members have joined CAFAmerica in recent months. They are: Chani Robinson, Grants Officer; and Sam Dutill, Grants Associate. Please call them or Susan Saxon-Harrold at 703-549-8931 if you need advice or assistance with any of CAFAmerica's grantmaking and advisory services.

### **Registration with eBay**

CAFAmerica recently registered with MissionFish (<http://www.missionfish.org>), a service that enables sellers on eBay to donate a percentage of their sale to charity. This means donors can support CAFAmerica as it works to expand international grantmaking around the globe. If you are having a yard sale or selling some possessions on eBay, remember you can donate up to 100 percent of the proceeds to CAFAmerica.

### **Telling the CAFAmerica Story**

Over the past two years, CAFAmerica has devoted unprecedented attention to marketing its services to donors and donor advisors. Among the results: a

new and attractive CAFAmerica brochure, a 2003 annual report that tells the stories of many of our grantees, and recent articles in such publications as *Family Foundation Advisor* and *Family Giving News*, an online publication of the National Center for Family Philanthropy.

### **Feedback**

We welcome constructive feedback to our e-Bulletin, so please contact [susansh@cafamerica.org](mailto:susansh@cafamerica.org) if you have any comments or suggestions.