

From the Front Lines of Philanthropy: Questions You Have, Answers You Need

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Guests: Jessie Krafft, Loren Previti, Iliana Lang | CAF America

Announcer: Learn how to take your caring and giving farther with the *Caring and Funding* Podcast powered by CAF America. CAF America, America's leader in cross border philanthropy, helps corporations, foundations, wealth advisors and individuals who wish to give internationally and within hands to due diligence in the United States.

Through its industry leading grants management program and philanthropic advisory services, CAF America helps donors amplify their impact and ensure their gifts are made in a safe and effective manner. This *Caring and Funding* Podcast is dedicated to these donors and the charities they support. Our guests are leaders in their field who join us to share tips for success and stories that inspire. Our host is Ted Hart, the CEO of CAF America. After the show, you can find all our podcasts at cafamerica.org on iTunes and now just say, "Alexa, play C-A-F America" on Tuneln.

Now, welcome the host of CAF America's *Caring and Funding* Podcast Ted Hart.

Ted Hart: Welcome to this latest edition of the *Caring and Funding* Podcast. Today we are coming to you from "The Front Lines of philanthropy. Questions you have and answers that you need". This podcast will share up to the minute information regarding questions funders are asking CAF America today and will provide you with the answers that you need. We'll discuss examples of grants that are being made to help with COVID-19 relief on the ground where it is needed most. Where are the hotspots around the country and around the world? Where is philanthropy making a difference? Here to help me start discussing these issues is Jessie Krafft, our Senior Vice President of External Affairs here at CAF America. Jessie, welcome back here to the *Caring and Funding* Podcast.

Jessie Krafft: Thanks, Ted.

Ted: Jessie. There is so much that's going on and there's so much money that is flowing into CAF America and out around the world to make a difference on the ground. What are you hearing from donors right now? What are the hot questions that are on their mind?

Jessie: Yes, we're getting a lot of different questions from donors and many of them are the same. I think this will be helpful information to quickly share with everyone. The number one question that we're getting of course is how quickly can we get money there. That's of course a hot topic because everyone wants to react as quickly as possible. The answer for CAF America is that we have a database of eligible organizations around the world that have already been validated and we can get money to those organizations quite quickly. We have a page listed on our website, if you just go to our homepage, that links you to all of the different organizations around the world that are currently eligible and are providing COVID-19 relief for grantees on those pages and others that are on our eligible list. You can get grants to them in as little as two

days. We're doing two weekly grant cycles for these emergency grants right now. Then if there are organizations outside of those lists, we're able to expedite the validation for those organizations so that we can get grants that quickly as well.

Ted: Jessie, I just want to jump in there, you mentioned the list on the CAF America website. You can find that, as you said, right from the homepage, you can go directly to cafamerica.org/COVID19/response. On there, we have 205 at the time of the recording of this podcast, eligible charities that are providing direct COVID relief right on the ground. The largest list that's available for corporate America.

The list has been put together specifically drawing from, as you said, our eligible list. Help our listeners understand why that matters that a charity is already eligible with us to the question that you pose to the top of the show here today for that speed, that possible two-day turnaround. Why does it matter that they're already eligible?

Jessie: In order to make international grants, there are IRS regulatory and federal regulatory requirements that we have to abide by before we can legally make a grant to the organization. It requires an application process, which many organizations are completing our applications right now still during this difficult time, but of course it's an extra burden on them.

If you're getting to organizations that are already on our eligible list, they won't have to complete that process again and it's less of a burden for those organizations in order for them to receive funding. Though in order to expedite things more those organizations are already set up.

Ted: Jessie, why does it matter that CAF America has 205 charities already eligible representing 41 countries. Are we actually funding in 41 countries? Do we actually have donors in this country that are looking to fund around the world like that for COVID relief?

Jessie: Absolutely. Yes. We have single donors that are giving to more countries than that right now and we're working with them to identify local organizations on the ground that need support whether they are or are not on our list. As I said, we are validating a number of charities now that are further reaching than some of the orgs that are already on our list. We're constantly adding and updating that COVID-19 page.

Ted: Right. That's why I made sure that we said it's 205 at the time of the recording because that is updated by our Thought Leadership team on a daily basis. Jessie, you mentioned when you started your answer the regulatory compliance of giving money outside of the United States and that's important but that's the only one part of the story when you're looking to provide global relief. What are some of the restrictions that CAF America can help donors get through getting money into the host countries where these charities are?

Jessie: Yes, it's actually a really great question based on the timing of all of this because there are restrictions for giving into certain countries and it's actually really important that we follow

those restrictions and how they're changing given COVID-19. We are seeing in some countries a little bit of relief on those requirements. For example, we just had an organization in Pakistan come to us that said that they don't have foreign approval, but they were given a temporary license that enabled them to receive emergency funding during COVID-19 up until September, 2020.

They've been waiting for their foreign funding approval, but they received an interim approval because of the situation. We're seeing examples like that where there is a little bit of easing or different actions that governments are taking in order to allow their charities on the ground to receive funding from foreign sources more quickly. That's something we're keeping on top of to make sure that we understand not only what normally happens in those countries in terms of foreign funding restrictions, but any changes that are occurring due to COVID-19.

Ted: CAF America does this day in and day out, our donors can count on the fact that CAF America is up to speed on the changes as they're happening as we're making grants. Jessie, you said that we have a lot of donors making a lot of contributions all over the world. Where is that funding being directed? What kind of charities are our donors supporting right now?

Jessie: It's really across the map because as we've seen the effects of COVID-19 are extremely far reaching and we have some organizations or some donors for example that are focusing just in supplying PPE and medical equipment and support directly to health care workers. Which is, I guess, you'd say a very direct response to COVID-19.

Then we also have donors that are focusing on the ripple effects of COVID-19 in the sense that they're providing more funding to food banks and other support systems like that, that have had to build their capacities to feed more unemployed and jobless, different situations that people have fallen into due to this crisis. There's again, another group that's funding the needs built out of their ripple effect.

Then there's some that are really focusing on the long-term more, that are looking at supporting their grantee partners that might have lost other funding. Maybe they're not directly responding to this crisis, but the donors want to make sure that these charities survive in the long-term because they've lost other funding sources. They're more buckets in that. I would say that those are the three primary that donors are funding in.

Ted: Terrific. Let's take a look. We've got a couple of special guests with us here today. Iliana Lang is a Private Donor Services Officer here at CAF America. Iliana, you are coming from the front lines of philanthropy to tell us about how this is affecting the charities. Our donors, as Jessie Krafft has just shared with us, they are looking to send more money to more charities, funding more to charities that they already have a relationship with. What are you hearing from the charities who are on the receiving end of this philanthropy?

Iliana Lang: Thank you, Ted. That's an excellent question. From the charities, we're hearing a lot. We're really hearing requests for sometimes unrestricted or flexible funding, just because

the needs are so varied at this time and changing week to week. We're also hearing from a lot of charities that are working with vulnerable populations. This includes charities that are working with the elderly, with youth, directly with health care workers, working with individuals who don't have homes and also working with refugee populations and asylum seekers. We're really focused on charities that are working with these beneficiaries. One great example, I was just speaking with this charity last week, Crisis UK. Their response is very active. They are delivering essential packages to homeless people. For example, during this time, they're providing them with cell phones so that they can keep in contact and follow the local health advice in their region. That's a really key example. We're hearing very similar requests from other charities for this type of support.

Ted: From the charities perspective, there's a lot of stress in trying to deal with stay-at-home, social distancing, and still be able to provide the services to, many times, vulnerable populations, while they're looking over their shoulder, wondering if they've got the funding to put all this together. How are charities dealing with that kind of stress? How can the funders who are listening to this podcast help?

Iliana: I think the most important key takeaway from this question is that the funders can help by directly listening to charities and being flexible with what they are willing to fund at this time. For example, some charities need support for just better internet connection for their employees who are now working from home and they need to continue their work, to continue supporting their beneficiaries. That's a really key need.

We're seeing charities that work in the education sector. Funders can most definitely help them by transitioning their activities online or remote services and providing them with the funding to be able to do so.

Ted: Thank you, Iliana, we appreciate that. I've got another special guest who's going to come in and join us here. Loren Previti is Director of Corporate Services here at CAF America. Loren, you've got the other side of this. You're right from the front lines of philanthropy. What are you hearing from the funders who are trying to listen to the charities, trying to make a difference and trying to be impactful? Bring us up to speed on what you're hearing from the front lines?

Loren Previti: I'm so glad that you asked that question. I think from the corporate perspective, and it's certainly been a balance of supporting organizations who are providing a global response, while also, we're seeing a lot of corporates who are looking to fund organizations where their employees are living and living through this global pandemic. We're also seeing a really strong emphasis on supporting long-term partners.

I just worked on a grant very recently here in the last week that I thought was a great example of this. We facilitated a grant for a fortune 500 corporation that is supporting a three-year project to train local women in India on a number of different work training programs. While this grant program is scheduled to continue on, this corporation really recognizes the need for

some incremental support and interim support for this charity during this very challenging time.

Very similar to what Iliana described, it was very interesting that they had really strong communication with the organization to understand what their needs were and were able to support the development of digital tools and some changes in the overall programming so that they could continue their work and be able to implement that three-year program as well.

Ted: It sounds like, Loren, the flexibility on the part of the funder is paramount here. Is this a difficult topic for funders to be able to manage in this time of COVID-19 because a lot of them are really trying to turn their entire grant process around on a dime?

Loren: I think so. It's been an interesting change in dynamics, for sure. I think, in the traditional grant-making structure, we're used to having benchmarks and KPIs and having clear timelines. Now, with this global pandemic, it's very difficult to work within that same framework. This flexibility is key. I would say, many of our clients now are leaning on CAF America and our expertise and really, the communication that we've had with the charities to really understand what their needs are and how those needs are changing so rapidly. I think we learned a lot from our recent survey of all the charities that we work with. We've really been able to use that, to feed that information back to our clients and help them develop a flexible approach to their grantmaking.

Ted: That's terrific. We're going to take a very quick break and when we come back, we'll be back with Senior Vice President of External Affairs Jessie Krafft. We're going to be asking her the biggest concerns that funders have and how those concerns can be managed. We'll be right back.

Announcer: Remember, our podcasts and archives are always available 24 hours a day at cafamerica.org on iTunes or just say, "Alexa, play C-A-F America.," on TuneIn. Now, back to the *Caring and Funding* Podcast and our host, Ted Hart.

Ted: We're back here with the *Caring and Funding* Podcast and with Jessie Krafft. Jessie, the biggest concerns that funders have, that you and your team are hearing about every single day, right here on the front lines of philosophy. How can those concerns be managed?

Jessie: Yes, a number of different concerns. One of them being, how do they manage programs with their current grantees. Loren did a great job of touching on this as well. A lot of work that we're doing right now is managing, editing grant agreements and things like that, for past grants so that we can be flexible with the grantees that we've already sent funding to.

Many donors have come to us concerned, thinking that, well, they won't be able to finish the projects in time because of this crisis. Now what? We're working with our grantees to modify our agreements and things like that so that it accommodates these new changes. We're working with donors to manage those concerns. Another major concern they're having is, a lot

of them want to support employees during this time. They have many employees who've been laid off or furloughed or things like that.

Fortunately, we have a great podcast that was recorded last week about this topic, specifically, about employee relief. If you're getting those questions, I would point you to that podcast. That's certainly an ongoing concern of our donors.

Then, another concern and question that they've had is, how can they quickly involve employees in their giving program? They have a budget, of course, set aside for themselves and for this purpose, but they want their employees to give to this as well. We've been setting up a number of different funds that employees and the corporations can give into and they discuss how they want that funding to be used and we help advise them based on their goals.

Then, a big reason for this podcast is a huge question they're asking us is, what is everyone else doing? We bring these types of resources to you and are happy to discuss with any of our donors, what we're seeing on the ground and what other donors are doing to respond because we find that that's really helpful in the planning for their release grants, themselves.

Ted: Jessie, our listeners can find that webinar at cafamerica.org/webinars. I want to bring back Loren Previti so that she can help us take a look at some of these emerging trends that you just talked about and how our corporate donors are able to benefit from the experience of CAF America and all of the various donors that we're working with, to be able to be very nimble in their giving.

Welcome back here to the *Caring and Funding* Podcast, Loren Previti. You heard Jessie talking about the biggest concerns that our funders have and how they can be managed. How does the experience of CAF America play into the capacity for funders to move very quickly and be very nimble?

Loren: That's a great question, Ted. I think one of the things that we have really seen on the corporate side of our work is this increased interest in, as Jessie said, getting employees involved in giving and giving employees the opportunity to support organizations that they care about that are supporting the communities that they live in.

While that sounds like something that would be easy to set up, it definitely isn't and there's quite a bit of strategy and thought that needs to be put into that. One of the first things that I think is really important in setting something like that up and setting up an employee giving program, is really looking at who are the employees going to be giving to? Are they looking to support organizations around the world and has due diligence been completed on these organizations?

Many of our clients are leaning on CAF America's list as we talked about earlier, our list of eligible organizations who have been fully validated and vetted by CAF America and are ready to receive funding very quickly.

I think it's also really important to be clear about the overall mission of this giving program. Is it meant to support current partners so that they can continue their work? Is the mission to support certain types of organizations like food banks, and really just thinking about how you're communicating that back to the employees, I think, it's incredibly important too so that they understand who they're supporting and how they can go about doing that.

Ted: Terrific. Jessie, we're going to come back to you because in our dialogue so far with our experts, we've been focused on traditional charities and we've been focusing on many different kinds of donors, grantmakers. But are there any specific aspects of giving for COVID relief that our donor should be aware of, for initiatives that are being undertaken by government entities, towns, and municipalities? This is a global pandemic that is affecting communities around the world. We are aware of and see a lot of government initiatives. How does philanthropy play into that?

Jessie: Yes, we are seeing a lot of creative thinking I would say around which types of entities to give to during this. Government entities are a huge part of this. There are certain towns in Italy for example, that we're working with that are providing specific relief efforts to their local economies and local communities and it is possible. Under IRS regulations and actually under an executive order, foreign government entities are actually determined that they are equivalent. We can treat them as if they had an equivalency determination.

However, we have to ensure that we have proof that they're a government entity, and we have to restrict them to a specific charitable grant purpose. It is possible, sometimes it's more challenging to work with those types of entities who aren't used to answering the types of questions we have to ask, but we found that many of these government entities are quite motivated right now and will work with us. We have been making a lot of grants to that type of work.

Additionally, we have been making a few grants for profit entities that might be providing free food to healthcare workers or undertaking specific nonprofit charitable initiatives that we can isolate within the work that they're doing. There's been a lot of great creativity in this funding that donors have been requesting.

Ted: You mentioned you use the word creativity, and creativity existing within regulatory frameworks. It takes a lot of skill to make sure that we are meeting the needs on the ground, as we say, on the front lines of philanthropy, but does that mean that regulations go away? Does that mean because there's global pandemic, philanthropy can be given in any sort of form? Or do our donors still have to stay within the rubric of established regulatory compliance?

Jessie: Yes, it's a good point and actually something that we get asked by donors quite frequently. They've come to us and said, "Well, we're in a global pandemic, and it's a national emergency, can't we just say that these rules don't apply or hasn't the IRS come out and said that you can avoid these rules now?" The answer is no. We do still have all of the same regulations that we have to abide by. A big part of what CAF America's role is right now is in

helping our donors navigate those rules to be able to be creative but do it effectively and within the regulatory space.

It's still a key of our mission as a nonprofit is to make these grants but make them in a compliant way and that's our value that we're bringing into-

Ted: Of course, donors who work with CAF America can count on the fact that every grant is going to be made with 100% regulatory compliance. But Jessie, sometimes the rules do change under the CARES Act, which is the third US Act that's providing relief for COVID-19, there were some changes and some enhancements to charitable giving rules.

A couple of them specifically I wanted to talk to you about today and that is the individuals in the year 2020. If they give a gift in a certain way, can take 100% tax-deductibility of that, and corporations have had their deduction limit lifted from 10% to 25%, but Jessie there are regulatory hurdles to be aware of because those gifts have to be made in a very specific way.

Help us understand the main questions that our donors have, as it pertains to the CARES Act.

Jessie: Yes, as you mentioned, the deductibility limits have changed under the CARES Act, but the caveat that was implemented within the CARES Act is that those deductibility limits don't apply to gifts to donor-dvised funds. That is of course, challenging, but we have another option at CAF America where we can accept restricted gifts for organizations that are eligible with us.

We've had, in the past, there have been other situations where using this restricted mechanism has been helpful under certain circumstances and the CARES Act is another one of them. What we're doing is working with donors who come to us with questions about the CARES Act wanting to know how they can make their donations to us apply within this framework. The restricted gift option is how we advise them. Actually, we have a full podcast on this topic as well, that covers more questions about it.

Ted: Right, and our listeners can find that podcast at cafamerica.org/cafpodcast. I want to go back to Iliana Lang, who was with us just a moment ago. She's a Private Donor Services Officer here at CAF America.

Iliana, what are the main challenges for getting these funds in the hands of the intended beneficiary? Again, many times these are countries all over the world. What are some of the special hurdles? Again, your expertise on the front line is with the charities, how can the charities be prepared to receive this funding from our corporate and individual donors? Iliana, welcome back. Can you help us work through these challenges for getting the funds in the hands of the intended beneficiaries?

Iliana: Yes, Ted, happy to. I would really like to highlight a specific example here regarding some bank closures around the world and one way that charities can really help once they have been selected for a grant and funding is on its way. One way that they can really expedite the process

and make sure that the funding comes into their bank account quickly is to have a really close communication with their banks. Let your bank know that the funding is on its way, ask your bank, "Do I need to provide any additional documentation?"

We've been hearing from some charities on the ground, in particular local contacts in the past, they had to go to the bank and provide specific documentation in person in order to confirm that that grant was for them. Obviously, with stay at home orders and with bank closures, that's not possible, but you can still communicate with your bank in different ways and that's something that we would really recommend to charities to be prepared for the grant that's coming your way and be prepared to receive it and be prepared to adjust to the changing world today.

Ted: Of course, one of the things that CAF America does is we stick with it, right? We work with the donor and the charity and we're the intermediary that brings both sides together with regulatory compliance for those funds leaving the United States and regulatory compliance for those funds entering the host country where that charity is.

We're watching the time here and we're going to go back to Loren Previti Director of Corporate Services at CAF America for wrap up and final advice, keeping in mind that primarily we want to give our best advice to our funders, those who are looking to provide help with COVID relief on the ground where it is needed most. Loren, best final recommendations and advice that you can give to funders.

Loren: Sure, I think the best advice that I can give is just that CAF America is here to support you. It's so inspiring to see how our donors are responding in really such a variety of creative ways. I think it's really important to remember that CAF America is here to support you in facilitating that creative response. That we're here to help you navigate all of the regulatory frameworks that will drive your grantmaking. We're here for support.

Ted: Terrific. Of course, you can email us at info@cafamerica.org or call us at (202) 793-2232. Iliana Lang, Officer on the Private Donor Services team at CAF America. Best advice that you can provide.

Iliana: To our funders, I would like to provide advice to really listen to charities on the ground or collect advice from an intermediary that is directly listening to charities on the ground to understand how your philanthropic dollars can have the greatest and most effective impact for both immediate need and the years to come.

Ted: Terrific. Back to Jessie Krafft, Senior Vice President of External Affairs at CAF America. Jessie, there's never been a time that I can remember that the urgency has been so great, and the global response so complete, and so many different kinds of funders that are coming to us wanting to make a difference. That just fills my heart and feeds my soul to see that. That's an awful lot of extra work. I know you and your team are fielding a lot of questions. What's the last piece of advice that you can share with our listeners here that will just give

them a leg up when they're trying to put their philanthropy to work on the front lines of COVID relief?

Jessie: I think it's important to remember that everyone is jumping to manage their grantmaking in a way that's responding immediately to the needs right now. What we've also been telling donors is that within your budget, make sure that you're planning for the long-term as well.

The need is great now, but with the economic downturn that we're seeing, the need will also be great in the future and you'll have charity partners and people on the ground that are struggling in the long-term. Set aside some budget for the long-term relief efforts as well and you'll be happy that you did later so that you can continue the level of wonderful support that we're seeing right now.

Ted: Terrific. Jessie, thank you. Thank you all for listening today on the *Caring and Funding* Podcast. We are here to provide support. Today, we've provided you, I hope, some very interesting information and very important advice right from the front lines of philanthropy. Thank you for joining us today.

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