

Best Practices: Global Philanthropy – Creating Success

Host: Ted Hart

Guests: John Holm – CAF America

Jane Arnott – Charities Aid Foundation

Announcer: Welcome to the *CAF America Radio Network*, a production of the Charities Aid Foundation of America. As the leader in global giving, CAF America offers more than 20 years of experience and expertise to corporations, foundations, and individuals who wish to give internationally and with enhanced due diligence in the United States. Through its industry-leading grants management programs and philanthropic advisory services, CAF America helps donors amplify their impact. This show is dedicated to these donors and the charities they support.

CAF America is uniquely positioned to serve as the bridge between these important partners and transforms vision into meaningful action. Guests on the *CAF America Radio Network* are leaders and their fields who share tips for success and stories that inspire. Our host is Ted Hart, the CEO of the Charities Aid Foundation of America. This is a live call-in show, add your voice by calling 914-338-0855. After the show, you can find all of our podcasts at cafamerica.org. Don't forget to dial 914-338-0855. Now, welcome the host of the *CAF America Radio Network*, Ted Hart.

Ted Hart: Welcome here to the latest edition of the *CAF America Radio Network*. This is Ted Hart, and I'm coming to you live from the national headquarters of the Charities Aid Foundation of America, cafamerica.org. First up on today's show, I want to welcome back to the show John Holm, who is the Senior Director of Business Development, Marketing, and Communications at CAF America. John, we've got a big day coming up here in the United States., tell us all about the Day of International Giving.

John Holm: Essentially, the Day of International Giving is something that we were looking that supports the story that's not being told within the corporate community. As you know, it's the giving season and there's many companies out there doing a lot of giving, but there's a lot of companies doing a lot of international giving as well. What we're doing with the Day of International Giving is making a sincere marketing platform to let these companies share their story and their voice of all the work they're doing internationally. What we're doing, Ted, is we're working-

Ted: What's the day? What's the actual day, John? What's the actual day?

John: Sorry. The actual day-- Great question. December 10th, 2013.

Ted: What are we hoping that corporations will do on December 10th?

John: Well, what we're hoping is that companies will actually donate or give money on that day to a charity around the world, somewhere internationally. For example, our US companies will be giving money to a charity overseas and then, we'd be able to tell their story of what they're doing overseas.

Ted: Charity of their choice and they may be giving money internationally throughout the year, but choosing to make a gift that day to highlight this collective opportunity to draw attention to international giving.

John: Absolutely, 100% correct. To highlight, really, the difference they're making around the world, the difference they're making to the greater community and to tell that story, which is so integral in the world right now.

Ted: International giving is one of the fastest growing forms of philanthropy in the United States. This seems a timely opportunity to draw attention with the Day of International Giving.

John: Absolutely. It's extremely timely. What we're finding, Ted, is that with top companies who are starting to be more globally-minded, that this is something that they're starting to do and they're very happy that CAF America is providing a platform for them to have that voice to share what they're doing, not only in the United States but on a global proposition and we're very excited to be the intermediary for that.

Ted: That's great. John, where can our listeners get information on the Day of International Giving?

John: Great question. It's very easy to find. It's cafamerica.org/dig, Day of International Giving. DIG, catchy title. That's it. That'll take you straight to the page. There, you'll be able to get a rundown of the Day of International Giving, what it means in our celebration of growth here at CAF America.

Ted: Well, John, I'm glad you're able to join us today. Lots of time for corporations throughout the United States to make their plans to draw attention to their great work around the world on the Day of International Giving. That's John Holm, Senior Director of Business Development, Marketing, and Communications at CAF America. John, thanks for joining us here on the *CAF America Radio Network*.

John: It was my pleasure, Ted. Thanks for having me.

Ted: Terrific. The main topic for today, of course, is global philanthropy. I am pleased to have here live in our studios, all the way from London, Jane Arnott is here. She has spent the last 20 years working to strengthen the civil society sector and has significant experience in grant-making policy and organizational development, strengthening membership organizations, direct service provision, and infrastructure support.

Jane Arnott joined the CAF, Charities Aid Foundation, in the UK in 2010 as Senior Advisory Manager for charities and grant-making and later, now, the topic of our conversation today, in 2012, she became the Head of the CAF Global Alliance. The CAF Global Alliance provides significant opportunities for coordinated global philanthropy. Her role involves working with CAF's various offices around the world including our partnership here at CAF America, but also including Australia, Brazil, Bulgaria, India, Russia, South East Asia, and Southern Africa.

Don't worry about keeping track of all of those locations because Jane and I are going to be talking about those details today. Her role is to help develop global leadership in philanthropic services and thought leadership throughout the globe. Welcome here live here at CAF America offices, Jane Arnott.

Jane Arnott: Thank you, Ted. It's good to be here.

Ted: Jane, this topic is so timely. We just had John Holm here on the show talking about the Day of International Giving. Global philanthropy is a great interest to corporations, foundations, and individuals throughout the world. Let's take one step back before we start talking about the global opportunities and just give us a little bit of a background on the Charities Aid Foundation itself.

Jane: Well, Charities Aid Foundation originated in the UK and the function of CAF has been in existence since the 1920s. It's a well-established organization. We've been incorporated in our own right as an organization since the 1970s. The mission of CAF, that we share with our offices around the world, is motivating society to give ever more effectively transforming lives and communities around the world. That's really about supporting people and organizations to give to civil society and to philanthropy in a tax-effective way, so helping to maximize the financial value of people's donations, but also, an effective way in terms of what they're giving is effective. They're giving to impact the organizations. Again, maximizing the impact value as well as the financial value of the gifts.

Ted: That's terrific. Starting back in the early 1990s, CAF decided to take its good works and expand around the world. Talk to us a little bit about or give us some insight into that global scope.

Jane: Yes. As you say, we started it in '92 with setting up our offices outside of the UK. We started with yourself, in CAF America. The aim of CAF America was then very much as it is now to support American donors to give overseas in a tax-effective way, so encouraging people and supporting to people to give safely and tax-effectively. I think the safety of giving is a key factor for all of our offices. When I talk about safety in giving, I mean, about organizations and individual donors being able to give to NGOs that they know are genuine organizations that are reliable and that will use their funds effectively for local impact.

Following the US, we also set up in Russia where our aim was very much about supporting the development of philanthropy in civil society in Russia. We have a similar aim in countries such as India, South Africa, Bulgaria, and Brazil. We have an office in Australia that we started in the late '90s that's very focused on supporting the corporate giving in Australia. In Southeast Asia, we're based in Singapore and really that's around supporting people to give within region in Singapore.

Ted: Philanthropy is growing around the world. It's in its infancy in so many parts of the world. This expertise that CAF brings around the world is the basis of much of the safety that you

mentioned of giving in parts of the world that maybe don't have the long history of philanthropic support that the US and UK has.

Jane: Absolutely. When we look at countries such as India, Russia or Brazil and to a certain sense, South Africa, you've got situations where you have a civil society sector that often it's growing. It's come from perhaps post-communism or restrictive regimes post-apartheid and civil society hasn't been able to thrive in the way that it would've done in places such as the US and the UK. There's a role for CAF in those countries in bringing together the emergent civil society, but also the developing world. You have this perfect storm, if you like, of civil society growing up and having the freedom to operate. At the same time, it's personal wealth that is growing as well both in terms of high net worth individuals that they're very wealthy, but also, in terms of the growth of middle classes and people wanting to give and to support local society through civil society organizations.

In those countries, in particular, CAF has played a really strong role in bringing together NGOs and donors in helping each to understand the other. CAF operates in a somewhat of a unique position and working with both NGOs and donors. We can help each understand the other's perspective and help them to work together effectively. As you said, in some of these countries there's not strong regulation around NGOs as you might have in the US or the UK, so people sometimes lack confidence in giving. There's a lot of organizations out there. There's, perhaps, been a couple of high profile scandals around NGOs. People want that degree of confidence and that they're giving to a strong organization that will use their donation effectively.

Each CAF office operates a validation process that ensures that the organizations that they give to, that they help donors to pass funds to are genuine organizations that are effectively run. We look at the legal issues, in terms of, have they got all the right documentation in place? Do they have the right registrations in place? Do they have the right governance and accounting procedures? Also, we look at the strength of the organization, is this a viable organization that it's safe for a donor to give to?

Ted: I think it's so easy for us when we're in the US or UK, established democracies that they have long histories of philanthropy to say, "Well, of course," that would be the case and you would want that to take place. As you said, the standards of vetting charities and holding them to standards on behalf of donors is a vital service that speaks across the globe and gives emphasis to this global alliance.

Jane: Absolutely. The thing, obviously, you need to bear in mind is that people and organizations are giving their money. They're giving their own money. From a personal perspective, if you're a donor and you're giving money, clearly, that's important to you to know that it's going to a good organization that is going to use that money to achieve the change that you're looking to happen.

Also, from a corporate donor perspective, there are much wider issues as well around reputation. Often, corporate donors like to talk about the kind of things that they're supporting. It helps their employees to engage in their philanthropic work, in their corporate social

responsibility. It helps communicate their values to their customers and their suppliers. They need to be confident that the organizations they're giving to are not only genuine, but they have a strong reputation that will support the corporates in achieving their philanthropic mission and not create reputational problems for the company as well. From a multinational company perspective or even from a local company perspective, that safety and that validation is important. We're increasingly finding-

Ted: Unfortunately-- Go ahead.

Jane: We're increasingly finding multinationals, in particular, that maybe US or UK-based and looking to give globally because they're expanding into markets, employing staff, developing their business in local bases. They're looking to expand their CSR out to those countries as well, and particularly, if they are environments where they're not familiar with working, it's important that they have a partnership on the ground, an organization such as CAF that can help them navigate the civil society space, the social issues, and the giving environment locally.

Ted: I was just going to say, unfortunately, around the world, there are organizations that look and very much feel like a charitable non-profit NGO organization, but simply are not, and the money is going in the pockets of some local person. Having the ability to sort that out and to, as you said, not only protect the philanthropic dollars, but also, the reputation of the donors whether they be individuals, foundations, or corporations becomes such an important part of the overall work.

Jane, I don't want to get too parochial here, but given the fact that here on the *CAF America Radio Network*, principally, our audience are donors here in the US, corporations, foundations, and individuals, could you describe a bit from the perspective of the CAF Global Alliance and in this factor of global philanthropy the relationship between CAF America and CAF UK?

Jane: Of course. Many of the multinationals that we work with are US or UK-based. They may have offices all around the world, but quite often, the parent organization is in the US or the UK. It's important that we try to be joined up in terms of the way that we work with those organizations. Several of our clients in the UK are shared clients in the US and vice versa. We endeavor to ensure that we have the communication between the offices to provide a more joined-up, cohesive service to those clients.

We also support people from both the UK and the US perspective in being able to give transnationally. Both CAF America and CAF UK, because of the tax laws in our country, are able to support domestic donors to give overseas. We might find sometimes that that involves CAF America supporting US-based donors to give to the UK and vice versa.

There is a close relationship in terms of supporting corporate donors, both in terms of the organizational CSR or corporate philanthropy structure, if you like, in terms of having a common relationship with staff that are working in the corporate to support their strategy, but also, from a transactional perspective, to make donations between the two countries and more globally and to have a discussion with them about, for example, where it's best to do that giving

from dependent upon their organizational structures, how their CSR funds are held and distributed. We're trying to find solutions that are the best solutions for the corporates within the CAF functionality that we can provide.

Ted: Jane, this has always been somewhat of an issue or, at least, for the past couple of decades for a very small number of truly transnational organizations, but this is a growing trend that the complexity of the relationships and the desire to not only have tax-effective giving in multiple countries, but also, to do it in a very smart and impactful way, at the same time, that you protect your reputation is adding even more value to the capacity for, let's say, in particular, CAF UK and CAF America to join forces and to provide, in some cases, joint services to some of these global companies.

Jane: Absolutely. I think we're finding as the balance shifts a little- it's the global economy, should we say, and increasingly, people are working from places like India and setting up offices and infrastructure in India or in African countries, in South America, we're finding that corporates are being much more joined-up in terms of their philanthropy and their corporate social responsibility. I think that's partly such a growing global footprints. I think it's also partly the global financial crisis that's forcing people to think a bit more strategically about how they use their limited philanthropic funds. It's really important that we provide a joined-up affiliation for them as well. They're able to look at the big picture in terms of how we can support corporates to give globally.

Some of the things that we might look at, for example, are if they want a global partner or a global theme around their giving, how do we help them to identify locally-based NGOs that they can work with to support that common corporate giving theme. Often, that's about engaging their employees to a core central level to the company, rather than having different pieces of corporate philanthropy going on in different countries. They're trying to be much more joined-up and seamless about it, so all staff can feel bought into the company's approach to philanthropy. That can help them identifying locally-based NGOs that fit in with that corporate theme.

We're finding increasingly corporates wanting to be more joined-up, more strategic, more seamless in their philanthropy, but at the same time, having a local presence, a local face to that philanthropy that their staff can engage in. The thing is very much just a means of engaging employees, which we know have positive benefits in terms of staff morale, performance, retention, and recruitment as well. It's requiring us to be more flexible and more engaged both with our corporate clients and with each other in terms of finding solutions. That's to say that that's the right solution for that particular client because although we can spot some trends in the way that people are working, there's also lots of individuality in approaches as well.

Ted: Jane, we're going to take a very brief break and when we come back, I want to just explore with you the kind of professional services that it takes on both sides of the Atlantic and around the world, to make truly global philanthropy possible. We'll be right back here on the *CAF America Radio Network* with Jane Arnott.

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Ted: We're back here live with Jane Arnott, the head of the CAF Global Alliance. Jane, what kind of professional services does it take in this true shift, as you said, that we're seeing over the last, just a few years, to a desire to have truly global philanthropy?

Jane: I think what we provide is advisory support and also some transactional support. From an advisory side, it's very much about the strategy for helping people to think it through and again, very much looking at corporate client perspective, what is it that you're trying to achieve through your philanthropy and how does that fit with you as a business in terms of your relationship with your employees and employee engagement, with your suppliers and your supply chain and with your customers and wider stakeholders.

Quite often, there is some very detailed, thoughtful, thought-provoking, sometimes, challenging conversations with companies around what they really want to achieve and really helping them plan out a strategy for their corporate giving that meet those objectives that serve both the philanthropic benefit, but also, a business benefit. We should not be apologetic about that because having a business benefit really helps embed philanthropy within an organization and make it sustainable within the business rather than it being a nice-to-have or an optional extra.

There's that kind of strategic advisory, consulting, facilitation skill that we provide and that enables us to work with companies. We also provide various models for holding funds, for payroll-giving, for donor-advised funds or trust or company accounts depending on where you're based and the language that you use. There is a skill there in terms of being able to structure services and products and services that meet the needs of clients and provide the solutions that they need. That involves some creativity, some innovation, but also some good, solid business management, administration, financial and legal skills to be able to structure things such as donor-advised funds or company accounts for the giving that maximize the tax benefits available for the corporate donors while providing security over those funds and ensuring that they are available for philanthropic purposes. In terms of the-

Ted: Having-- Go ahead.

Jane: Sorry. [chuckles] I was just going to say, in terms of the distribution of funds, is also a high level of skill and experience required to ensure that the funds that we talked about are going to safe places. We have staff with good understanding of the NGO sector, with an understanding of the structures and the galaxies of setting up and running NGOs and strong analytical skills, so they can look at the documentation that's provided by NGOs so they can inquire and research into them to ensure that we're given to robust and sound organization.

Ted: The value for CAF America donors, corporation, foundations, and individuals to work with an organization like CAF America that has the capacity to interact, with offices on six continents, adds an extra level of expertise and security to those global philanthropy efforts.

Jane: Absolutely. We have our offices, as you say, on six continents and nine countries altogether. They, obviously, have a very strong understanding of the sector and of the issues in that country. We make a point, and it's a very deliberate] value that we bring to our work, of employing local staff within those offices. Each of our offices is run and managed by local staff that really understand the culture, the community, the sector in the country and have that relationship with NGOs and donors that could be very close and very honest and clear and have a good understanding of what's going on.

We also, through other organizations, such as the Worldwide Initiative for Grantmaker Support, also known as WINGS, have contacts in other countries where we need a little bit of additional support, perhaps, in the country where we don't have our own office, we have a very wide range of organizations that we can link into for service support if necessary.

Ted: Jane, in thinking about the offices and the expertise that's available around the planet, this gives comfort to those who have responsibility within corporations or for their own funds that, as you said, these are not expats from one country that have been deployed around the world, but are local experts in not only their own country but in their own regions.

Jane: Absolutely. I think there's a lot that we can do from the UK, from the US. The Internet is a wonderful thing in terms of being able to do research and get information, but there is quite often no substitute for local knowledge and local understanding that can directly engage with an organization, particularly, if we've got concerns about something or queries or there's perhaps a challenge around language and communication. Having local staff that can help us really interpreted the issue is really useful.

For example, we might look at some documentation from a western civil society perspective, if you like, and think it looks peculiar because it doesn't follow the models that we're used to. Whereas, our local staff can really help to say, "Well, actually, that's what you'll expect to see locally because the legislation is X or Y," or, "That's good practice." Again, it's local standards. It helps us get a sense of what are the real issues to be concerned about and what are the things that might look different, but actually, don't give us any cause for concern at all because they're perfectly within and perhaps potentially even best practice in a local level.

Ted: That's great, Jane. It's been wonderful to be with you and to have this opportunity to highlight global philanthropy. In our final minute here on the show, just round out the show here by just giving us your view of global philanthropy and the CAF Alliance.

Jane: Well, global philanthropy is a really exciting space to be working in at the moment. We're seeing lots of development and innovation. People being more strategic, more joined-up and also looking at new models. People, perhaps, moving from just addressing a major issue to looking more at strategic causes, problems, going to the root cause of an issue and trying to

address those and also, looking at things like venture philanthropy and impact investing and seeing what the opportunities are to approach perhaps some deep-rooted difficult social issues from a different way. I think we're going to see lots more interesting developments in the global philanthropy space in the coming years.

Ted: That's great. Jane Arnott, Head of the CAF Global Alliance, global philanthropy expert here on the *CAF America Network*.

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