New Findings | The Voice of Charities Facing COVID-19 Worldwide
Host: Ted Hart | President & CEO, CAF America
Guest: Jessie Krafft | Senior Vice President of External Affairs

Ted Hart: Thank you. Thank you for joining us today. Today CAF America shares volume 2 of The Voice of Charities Facing COVID-19 Worldwide report. The sheer magnitude of this global pandemic has made it necessary for us to update our first report issued just one month ago, with plans already underway to issue volume 3 next month. The need is greater. The effect on nearly every community around the world is greater than just 30 days ago.

What we have to share today is important for all donors and charities to hear, as our virtual coalition around the world struggles to hold together a fragile global social safety net, one which is now being stretched as it has never been before. A stark reality is coming into focus. The need is so great, is beginning to fray the foundation of support so many vulnerable populations have relied upon in the best of times and makes all of us ask, "Are we doing enough? What more must be done? How will communities rebuild?"

To give some context on what is happening around the world, in the United Kingdom, reports are showing a potential loss of income to the charitable sector exceeding £4.3 billion, and recent research finds that the UK is facing a potential closure of 40% to 70% of charities throughout the country. Survey shows that 40% of charities in the UK have three months or less of operations in reserve, many have zero percent. These reserves will and have been depleted.

Research by our partner TUSEV in Turkey shows 50% of charities in Turkey say they can only survive another six months. 80% said that they could only survive 12 months. There's a genuine concern about the resilience of charities around the world as this global pandemic continues but where there is darkness, the light shines even brighter when it comes. During today's webinar, CAF America makes special note that this is a holy time for over one billion members of our human family.

A holy time for our Muslim brothers and sisters around the world. Ramadan is a particularly important time, Zagat placing a particular focus on duty and acts of charity. This second report on The Voice of Charities Facing COVID-19 Worldwide gives voice to charities in 122 countries. It draws all our attention to the very survival of charities in every country on the planet There's a growing sense of desperation coming to many sectors in many parts of the charitable world.

A lack of options for survival is real for many. Today, we want to bring light to the darkness and bring hope to many. As we learn about the needs, we can begin to imagine new models, new approaches, new partnerships, and new tomorrows. There we are. I am Ted Hart, President, and CEO of CAF America and President of CAF Canada. I'll be joined a bit later, by Jessie Krafft, who is our Senior Vice President of External Affairs here at CAF America.

Let's get right into the report, Charities Facing COVID-19 Worldwide report. The data that we'll be sharing with you today was drawn from survey between April 30th and May 6. CAF America polled 880 organizations worldwide to learn how the coronavirus global pandemic continues to impact their work. About the survey: 880 organizations were surveyed, 122 countries are represented in this survey. Throughout the slides today, you'll see a smaller number next to larger numbers. That smaller number is the corresponding number of our volume 1 report.
The way to read this particular slide is that 880 organizations participated in this survey. 30 days ago, we had 544 charities. In this report, we are bringing voice to 122 countries. 30 days ago, our report brought voice to 93 countries. Here, we want to give you a sense of the scope of this report, how many of those charities came from Europe, North America, Central America, Caribbean, South America, Africa, and so on.

For those eagle eyes that are looking through this and may wonder why does that not add up to the 880 that we shared with you, some of the organizations participating in this survey provide support in multiple countries, in multiple regions. Therefore, in this report, we would show the results in each of the areas that they participate in.

You'll also see throughout this report a very broad cross-section of nonprofit organizations, the true tapestry of the charitable sector around the world, not surprisingly, very heavily weighted towards children and youth and education, but across the board, you see services that are provided, and in many cases, provided to those most in need during this global pandemic. I want to welcome Jessie Krafft, our Senior Vice President for External Affairs here at CAF America. Welcome here, Jessie.

Jessie Krafft: Thank you, Ted.

Ted: Jessie, as you did 30 days ago for volume 1, you're going to help us interpret these slides, interpret this data by bringing real-life examples from the survey itself, but also representing all of the advisors that report through you, the grants team here at CAF America, for real-life examples of what are we seeing on the ground, what are we hearing from charities and the donors that want to support their work.

On this slide, in particular, Jessie, we see the immediate negative impact of the coronavirus and the global pandemic. Nearly all, 95.94% of the responding organizations reported that they are being negatively impacted by the coronavirus global pandemic. Over 70% of the respondents, Jessie, have seen a significant reduction in contributions that they have received and had to suspend programs involving travel or other events. Jessie, help us bring this to life. Help us understand this again. Bring voice to the charities that are experiencing this negative impact.

Jessie: Thank you, Ted. You'll see throughout this presentation and the data that we'll share with you after this presentation that the negative impacts have been widespread and have covered many aspects of the work that our charity partners do on a day-to-day. The quote here states that our organization reaches approximately 25,000 patients in remote rural areas annually, helping them get surgeries and medication, but they were forced to suspend this initiative due to the coronavirus pandemic restrictions.

This quote here is significant because we work with many health care organizations that have suffered because resources and hospital beds are diverted to COVID-19, or they are no longer able to access the communities that they serve, and they've had to halt important medical research or they can no longer provide in-person care that they used to. This just highlights one area of the negative impact, but it's certainly been widespread, as you'll see in the data in the following slides.

Ted: Certainly, in the data that we're going to be presenting today, Jessie, and in the report itself that all of our listeners today will be able to download and read the richness of this report that our Vice President, Kinga Ile, and her team, the thought leadership team here at CAF America have created in...
this volume 2, but I just want to stay on this negative impact over the last 30 days. Can you give us a sense of what your team is reporting to you and what you are hearing yourself in terms of directly from the field, how real this change in 30 days has been?

**Jessie:** Of course. First of all, we are actually seeing effects of COVID-19 itself within some of the ranks of our charities. We, unfortunately, heard that the executive director of one of our partners in Brazil passed away due to complications with COVID-19. I think most of the negative impacts that we'll talk about today are related to the ripple effect of COVID-19 or the closure and the inability to provide in-person services.

Know that there are some organizations that are experiencing effects of this illness themselves. That has been a challenge that we've faced in some work as well. I think-- Sorry, go ahead.

**Ted:** I just wanted to go on to the next slide because you mentioned this ripple effect, and I know you've got a lot to share here, but I want to give some context to that. You can see throughout this slide which areas our respondent organizations are being impacted due to the global pandemic. In particular, I want to draw your attention because I think this is where you are going is that when you look at contributions have been reduced.

Just in the last 30 days, that number has gone from 68% to 73%. Then look at the other side of that dial and you see that at the same time, that less contributions are coming into charities, their expenses are going up from 34% to now 39% are reporting to us that their costs are going up at the same time that their contributions are going down. Jessie, that's a ripple effect that's got very danger written all over it.

**Jessie:** Absolutely. I think to illustrate this, there was a great quote from *The Wall Street Journal* on Monday, where Betsy Morris noted in her article that, "Nonprofits are reeling from the loss of revenue and soaring demand. As the virus has sapped revenue for nonprofits, it has also been a double whammy in driving up their costs for masks, cleaning supplies, technology, and food."

I think this quote is very relevant in this context because that's certainly been the experience that we've had and seen within our organizations, that their costs are increasing exponentially and that they've had negative ripple effects because of those increasing costs, which have then cut into the services that they are used to providing to their beneficiaries. This has had huge impacts.

One organization that we work with works with youth in foster homes, and they've experienced, just as an example, an increased demand for services, and an increased demand for more food supplies and then extensive cost for digitizing in order to stay connected with all of those youth that they support, while at the same time their funding has decreased significantly.

This is just one of many examples where the need is greater, but they don't have the ability to fully support, so many are dipping into their reserves if they are fortunate enough to have reserves, and then for many of them as well, their main annual fundraisers have been canceled, fundraisers that occur over the spring or the summer. There's not a great end in sight in terms of their ability to recoup those costs and to supply the additional support that's needed.

**Ted:** I just want to move on to the next slide, as you're mentioning that journey going forward. On the next slide, what we see in this research is, Jess, what you might view as a very dire prediction of
the future is that when you look at the expected negative impact. You've just shared with us those current negative impacts of funding going down and costs going up. What is the thought on the part of those who are actually on the ground managing these organizations? What does the future look like?

It looks to me, from this data, and I want to have you help us interpret this data, is that things or maybe the crystal ball is a little bit clearer for charities in the one-to-two months timeframe and that a lot of these charities that had reported to us last month feel that they can get through the next few months. Boy, Jessie, you look at it three months, and for the first time, where over 50% of the charities, actually, 55% of the charities that are saying that the negative impact is going to be here in three months time. It's that same Cliff effect that I think a lot of charities are really expecting that things are going to be far worse in three months than they thought even a month ago.

**Jessie:** Yes, Ted, it's a really tough situation. I think it's positive that they're seeing some goodness in the short term, but in the long term, I think there's there's so much uncertainty for all of us and even in cases where some of our organizations are reporting that they're continuing to receive funds from some of their donors. I think there's a lot of uncertainty about whether that funding will dry up in the long run.

As I said, many spring and summer fundraisers have been completely canceled. Then, there are also many in the fall that they're looking towards now in order to supply the fundraising that they need. They're not even sure that those will be able to continue either

**Ted:** Jessie, here on this slide, I think just to bring that into stark reality is one of the charities that participated, reminded us that, as bad as this global pandemic is, their biggest fear is not only will they not survive the global pandemic, but the next disaster that might strike and as time goes on, we get into that June to November timeframe, which is hurricane season on the East Coast of the United States. That hurricane season, which is just over the horizon now, there are resources that are already depleted, already stretched, may just be the breaking point.

**Jessie:** I think there's a lot of uncertainty about what could happen in disasters and other crises that come up in the provision of services in the social sector, in the civil society sector. We are hearing charities that are usually planning ahead for this type of activity around this time, they're quite concerned because they're utilizing their reserves or all of the resources that they would have spent later in the year, they're spending those funds right now. I think there's definitely concern for the possibility for disasters in our near future.

**Ted:** Jessie, going on to the next slide, for 13.42% of charities that disaster is already hit. That's up from nearly 10% just 30 days ago of charities who have already been forced to suspend their work and their operations. Matter of fact, one of our team members today just brought to my attention, a charity that's communicating with us right now, that had to make the decision to close on April 30th. Almost 15% of the organizations surveyed were forced to suspend their operations as their activities cannot be carried out remotely. That's another percentage of that, that they're not just closing their operations, but they weren't able to carry them forward. 60% reported that they had to eliminate or suspend some of their regular programmings due to the global pandemic. Jessie, these numbers are not positive and they're not getting better.
Jessie: They’re absolutely not. I think, in terms of the operations of organizations and what we were anticipating, starting as you know, we were initially expecting a lot of delays in communications with our grantee partners. We had many donors that were starting to think about their release plans and their release strategies. In the beginning, we were telling them, “Well, we’re not sure how responsive they're going to be up to their applications that we’re asking them to submit it and things like that.” We've actually been surprised by the level of continued connectivity at least by some of their key staff.

While some of their programs, in many cases, have had to be suspended, there are many that are still trying to be connected and responsive to try to raise the funds that they need in order to proceed with their activities. I fear, Ted, that we’re going to start hearing from a lot of our charity partners that they have decided a future date upon which they'll actually close their operations. It's something that we're going to be keeping our ear to the ground in terms of notifying donors and making sure we know which organizations are still in operation.

Ted: Absolutely. That's going to be something that, of course, CAF America will continue to monitor. Jessie, it's not the sort of thing that-- These are easily renewed in terms of when an organization closes down and the staff is dispersed, the operations are no longer underway. That's, oftentimes, not something that can just be turned back on.

Jessie: A lot of the message in the narrative and the narrative comments we received through the survey, there was so many messages around, what are the most important things that they needed to focus on? So many of these organizations said, "We've got to focus on our staff because without our staff we're nothing, and of course, many of them have had to make some difficult decisions around their staffing.

You're right, if these organizations are forced to disband, they lose one of the greatest assets they had in the first place which was their staffing. I know a lot of donors right now are focused on immediate relief and providing funding now because it's needed now. I think similar to many disasters, we try to provide the guidance that long-term funding and long-term resiliency and sustainability funding is also incredibly important, and is often overlooked in the rush to get funding to charities as quickly as possible in the wake of a disaster.

For the donors listening, try to keep some of your funding aside for the long-term resiliency and that necessity because it will be more and more necessary as we proceed in the next few months.

Ted: The quote here, of course, Jessie, is of an organization that is already anticipating that they're going to have to dissolve within six months. Of course, for those who rely on their services, that will hurt many communities. Let's go on to the next slide. On this slide, we had asked the question of whether or not the organizations are able to operate remotely. The emphasis for a lot of government notices is to telework, but not everybody, Jessie, can telework, not all work is able to be done remotely. That's really affecting a lot of charities.

Jessie: It definitely is. I’d say, one of the challenges that CAF America and I'm sure many other organizations are facing right now is that we are experiencing a huge increase in the requests to modify past grant agreements because-- For many reasons because the project we had agreed upon can no longer take place or just a number of other reasons that that project can't move forward as
we had originally planned. We've been working with donors and have been very accommodating to these requests to make modifications.

Many of the shifts in funding have actually focused on funding digitizing projects and shifting them to remote access to allow them to continue to the extent that they're able at least.

Our even past grant funding has been shifted to the purchase of laptops and small equipment for remote operations. We recently made a grant to a charity that fully supported their remote operations. Prior to our grant, they had no remote capability.

They came to us fearing that they would need to close their operations totally simply because they did not have computers that they could use at home or things like that. In this instance, we were able to provide them with the funding that they needed to continue their operation to the extent that they were able to. I'd say it's really has been inspiring and amazing to see the creativity of our grantee partners that have continued to provide programs remotely.

One story that I've read in the survey data was that one of our partners that assists students with reading, with increasing their capacity for reading skills is working on developing a video game that would continue teaching reading skills remotely. I think these are activities that none of them would have imagined they would have had to complete this year or that they would have needed programmers to work on these projects to keep their operations running, but we've just seen a lot of creativity.

Of course, as this data shows, there are many organizations that simply do not have the ability to continue operating remotely and so have completely canceled their programs, or that there are things like orphanages and animal care facilities, or zoos, or things like that that are still requiring operations on site because they don't have any other choice. Their staff are forced to stay on-site and take protective measures for themselves and for the beneficiaries that are with them on-site.

Ted: Jessie, you've got a couple of quotes here, we're going to go to the next slide and have you share a couple of these stories.

Jessie: These quotes, which I'll read, overall, they speak to their wide variety of concerns about potential humanitarian crises due to the virus itself or the social and economic ripple effects that the closure has had on the world. The first quote is that the economic impact of the pandemic on migrant workers is predicted to become increasingly severe. Those who show symptoms of COVID-19 are laid off, but due to travel restrictions are unable to go home to their own countries where they would have had to complete this year or that they would have needed programmers to work on these projects to keep their operations running, but we've just seen a lot of creativity.

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Ted: Jessie, just to give a number, 7%, is like what is that number? That's 280,000 children who because of this, because of a lack of support during this global pandemic, are more vulnerable to child labor and human trafficking as you noted and that just breaks your heart.
Jessie: It's a very dire negative impact of the situation, absolutely. The next situation which has also been in the news quite a bit is the great concern for families that are living within overcrowded camps in Syria is what is in this quote, but there are many different refugee camps around the world that are very concerned about the close proximity of the people within those camps and the lack of access to health care in those situations.

This organization that we work with is now running a project focused on delivering basic household materials such as blankets, water storage containers and cooking sets to these families. Without that support, the families would not have those essential items, which would then heighten the risk of virus transmission. They're trying to provide support to keep people in place as much as possible and to decrease the social contact.

Ted: Jessie, we're going to move on to other actions that the organizations in this report have taken due to the coronavirus pandemic. I think when you look at this, your eyes naturally go to the right. I think that most donors, most funders would expect that there would be some belt-tightening, and at least, some attempt to raise new funds. Where we tend to look is at the other end, and which looks like, well, those aren't big numbers, but those are very big numbers when you think, Jessie, about 17% of charities furloughing employees, another 12% have laid off employees, 15% are not able to pay the bills of the organization and another 17% have reduced salaries.

Even though you can say, "Well, that's the right thing to do," and try to protect the organization. You start reducing salaries or furloughing employees and not paying your bills, and that's not painting a bright picture. It's not inspiring people to give their all.

Jessie: Absolutely. The numbers on the left while they seem like they're smaller, it's still a very significant number and one that based on the future predictions that each of these organizations has had, but we anticipate increases in those figures on the left around reduced salaries and layoffs and things like that. Many organizations have said that they're trying very hard not to layoff and not to reduce salaries to the extent that they're able, but it's definitely in their future unless they receive additional funding. Some organizations are dipping into their reserves and things like that because their staffing is, of course, still important to the fulfillment of their missions.

[crosstalk]

Ted: I just wanted to remind everybody of something that you said early on today that most charities historically are on a razor-thin margin. Research coming out of the UK is showing that 40% of charities there have less than three months or less of reserves. We start talking about, well, you're going to have to spend your reserves and that's what the reserves are for, but most charities don't have reserves. Most charities literally are on a razor's thin edge. However, vulnerable communities rely on them, Jessie.

Jessie: Absolutely. I've been hearing a lot about charities that are employing new methods of fundraising to replace lost income. We, of course, don't know how successful these methods have been or will be if they're planning future creative fundraising methods. It's something that we'll definitely be watching with our charity partners over the coming months to see how successful they've been with these alternative methods that they're trying to employ in order to raise or replace some of that lost income.
Ted: Let's go on to the next slide, which really, again, brings home this message that is coming clear in this volume two than even in volume 1. That is the expectation. Now that we’re 30 days past the first report, charities have already been working at trying to tighten their belts and raise new money and be creative and tackle what you mentioned as the double whammy, fewer donations, but higher costs to get the same job done.

Jessie, you look at this, and for the very first time, we're seeing that 50% of the charities participating in this survey believe that their revenue are going to decrease more than 20%. When you're on a razor-thin margin, Jessie, how do you make it with 20% less? You can't provide the same service. You can't be the same organization.

Jessie: No. The difficult part for many of these organizations is that they're being asked to provide more with much, much less. This is obvious. It's a very real concern. It's truly changing the landscape and fabric of philanthropy and civil society. Historically, civil society organizations exist to fill gaps in government and social services that are provided publicly, but the roles are becoming reversed in this situation in some countries, certainly not in all.

The government is stepping in to support their nonprofit sector because they understand the value that they bring and the fact that they are providing services that the government isn't necessarily fulfilling on their own. There are many countries, most countries where the charitable sector is not receiving any government support. There are some cases where charities are receiving new and more government grants, but in many cases, that's just not the reality. They're having to try to find that funding elsewhere or risk closure of their organization.

Ted: Jessie, again, our message here today for funders and for charities is this is a new reality. This is a global pandemic. What you're experiencing is real. The decisions that you're making right now are real. I think for the philanthropists that are listening, the advisors to philanthropists that are listening in our mind, this is not just the next disaster. This is literally rewriting the book of philanthropy. The decisions that are being made now are the stories that will be told about in the future.

Let's go to the next slide, Jessie, because 17% of those who are participating in the survey, 17% did not receive any funding in the last month. We're not talking about three months from now, it's going to be tough or I'm going to experience a 10 or 15% reduction. In the last month, 17% of charities received no donations. Among those, Jessie, that received financial support during the last month, the great majority were awarded smaller grants.

Several respondents have reported challenges to connect with their long term donors, while other organizations received grant funding with delays. I'll put this into context. Yesterday, we had a really terrific webinar with three of our leading corporate supporters and every one of them literally rewriting the book of philanthropy as I mentioned, where they are giving more, and they are reaching deeper.

They are trying to give broader funding and to be more flexible and giving that. What's very clear from the charities' point of view, from the data that we're sharing today, Jessie, is that those great stories that are told in those examples that are real and able to be shared are unfortunately not the norm for most funders. Certainly not the reality for many of the charities.
Jessie: Absolutely.

Ted: Going on to the next slide. Did your organization receive funding? Unfortunately, 17% received nothing but taking a look at those who did receive funding in the last month. What did that funding look like? Well, 44% received funding from corporate donors, 48% from foundation donors. Historically, it is true individuals are the largest funders of philanthropy. Certainly, that's true here in the United States and this is the case in many Western countries. 65% from individuals with 28% coming from institutions.

Of those who gave were long term donors, well, 38% of those were long term donors. You mentioned in the slides about three slides back that charities are trying new approaches. They're trying to get new donors or they're trying to at least be optimistic that there is another path to success. Yet, right now, 30 days past our first report, only 8.4% are new donors. Then of those that did receive funding, 54% was a combination of long-term donors and new donors. Jessie, this is a very difficult picture.

Jessie: We have seen a great outpouring of support from the corporate sector. There has been much concern expressed about the sustainability and reliability of corporate donations moving forward. As you mentioned, we had a great webinar yesterday which included speakers from CARGO, the City Foundation and Biogen. Then we had three other corporations represented on a prior webinar that we held last month.

Through these webinars and through the experience that we have on a day to day with our donors, we are currently seeing considerable efforts on the part of corporations to continue their normal grantmaking. They're really trying to keep their typical programs on schedule and to remain a reliable source of funding for some of their ongoing partners.

Then also on top of that to remain flexible with past grants that they already have made, where they're enabling some of their charities to change the grant agreements that they've already had in place with them.

There's a lot of concern about the sustainability of those contributions moving forward. We're right now seeing an increase in corporate grantmaking but as new budgets are created for the next fiscal years, given the new reality we're living in, we just don't know what corporate philanthropy budgets will look like. Many of the charities have expressed concern around that. They've also expressed that they understand that their individual donors in many ways are suffering themselves. They're facing job losses and things like that themselves. They don't know how much they can continue to rely on this 64% that they're receiving from individual donors.

Ted: Of course, in the back of the mind of most institutional donors, Jessie, corporations that we work with, foundations that we work with, there will be another disaster. There will be another great need. Where does the funding come to support those needs? I think that's why this is a whole new philanthropic story. This is not just the next disaster. This is a very big deal. Let's move on to the next slide. What type of funding is needed by charities?

This is really bringing voice to these charities from around the world. Speaking directly to funders, Jessie, they're saying that they need unrestricted funding. They need regular project funding. These
are the needs that they have. While COVID-19 funds are desperately needed, and in many cases, these are new needs that these organizations have.

That represents about 14% of what charities are looking for. Unrestricted funding, of course, being the most difficult to come to and to be able to ascertain from most funders.

Jessie, talk us through how do you see funders and what they want to accomplish and what they need to accomplish. After all, it's their money and they need to have an assurance that it's spent wisely. They want to be impactful. They want to make sure that they are making a difference with that money at the same time that charities are stretched beyond any measure that they've been stretched at and are being asked to do more.

Jessie: As I mentioned, we've seen a lot of flexibility from donors in terms of the management of past grants. For example, many donors and charities have in the past worked out very specific projects and project outcomes that they had wanted to accomplish with their philanthropic dollars from the past year. As many charities are now coming to us asking to change these past projects to better suit their new needs, the donors have actually been very flexible to that and very understanding which has been wonderful to see and has given these grantees a lot of confidence in being able to continue their work with some of that past funding.

I think it's been interesting also to see that with the new funding, donors are still requiring project proposals and while some of those proposals and what they're accepting in those proposals might include significant operational costs. Includes specific funding for certain staff members or things like that. They're not specifically funding unrestricted grants right now. They're not writing a blank check at this point. I think that's something that charities really want. We're working in between to help negotiate where the need is versus what the donors want to fund in this context.

Ted: Jessie. The next slide we see that, and I think the story here is that we see even more of the charities who are participating in our survey are providing coronavirus relief. They are providing services whether they be frontline relief services or essential services such as food banks and shelter and others. This is most likely a story of it took that 30 days for some of these charities, about 11% of these charities to be able to get online, to be able to provide those services, to assess and meet the needs in their community.

More and more of the resources of charities in this case for the first time, over 50%, 54%, are now being drawn to the pandemic itself which says that as the pandemic goes on the other resources and the other services that are not coronavirus-related are going to become more and more difficult to provide.

Jessie: Definitely. I think you're right. I think it's taken them some time to get up and running in some of these cases. They weren't providing these services before, but now they are. I think in some of these instances, 30 days ago, they might not have considered their services to be essential. The social and economic situation has changed so much that they've realized that the services that they are providing are now essential.

Ted: Things like, Jessie, like victims of domestic abuse, veterans services, things of that sort that maybe 30 days ago were not seen as directly related are now front and center.
Jessie: Exactly. I think initially people thought that a direct COVID-19 response meant provision of medical supplies or PPE and research, but need has really expanded well beyond those things as more people lose jobs and as essential services are taken away.

Ted: Jessie, watching the time we want to go just share with all of our listeners today, the participants in the webinar today of which we’re very proud to have participants today from Canada, the UK, Australia, India, Russia, Hong Kong, Costa Rica, Japan, Jordan and South Africa and others, if we miss you we’re very sorry, but we’re appreciative of you joining us here today. Coming up, Jessie, on May 21st, we have a podcast that will be recorded 3:00 PM Eastern, more from the front lines of philanthropy.

These are advisors here at CAF America that you and I will be speaking with specifically asking the questions that are being asked of them and providing the answer. This is a group advisory session of what are those hot questions and what really can be the best answers to those questions, I think particularly helpful to donors and the charities that they want to support. CAF America has extended eligibility for many charities by 90 days trying to provide relief to the paperwork of regulatory compliance for funding coming from the United States.

Websites that you can go to cafamerica.org/COVID-19response is updated on a regular basis. Right now, we have over 236 eligible organizations, representing organizations providing on the ground direct relief for COVID-19 in 48 different countries. The webinars are posted from last month and we mentioned those here, and we also had a podcast that's also available at cafamerica.org/cafpodcast. That's a continuation from the front lines series for podcasts.

Again, watching time we do have a couple of questions, Jessie, if you can hang on just for a second. There's an overall message that unrestricted funding is needed. Is there a way that donors, corporates and others can support unrestricted grants without requiring a charity to go through the difficult and oftentimes expensive process of equivalency determination when they don't even have the staff capacity to do the work of equivalency determination paperwork?

What options are there for donors who want to give and charities who want to receive unrestricted funding if for whatever reason doesn't mean they're a bad charity, they just can't qualify or have the time to complete equivalency determination.

Jessie: It’s a great question because equivalency determination is of course very time-intensive upfront and is from the United States at least, the only way that you can fund an absolutely unrestricted grant. It is possible for it to be absolutely unrestricted, but you have to go through this more difficult process up front that many charities just can't accomplish right now with their capacity. It is possible. There are ways to fund unrestricted grants via expenditure responsibility.

Essentially, what that requires is just a conversation with the organization to say, “We have this grant funding for you. We have $20 and it's unrestricted. What is your current need and how would you like to spend that money?” Then what we do is write that purpose into a grant agreement with them. We ensure that it’s charitable and then we do end up restricting it to that purpose, but we’re allowing them to fully decide. Then, of course, you tell them that if something changes and they need to amend that grant purpose moving forward, we can work with them to amend that grant agreement if needed so that we can approve that project before they proceed.
Ted: It's always important in situations of that sort is talk to us early. Let us know on the backend. The earlier you talk to us, the more we can do to help both the donor and the charity come together around those topics. Let’s go to the next slide. This is our last slide. We want to encourage you to be in touch with us because we are running a little bit long on time here. We are going to wrap up this webinar today and encourage any of you who still have questions to please e-mail Jessie and I at info, I-N-F-O, @cafamerica.org and we promise we will respond and get an answer back to you. Thank you for joining us today.