

Global Online Employee Giving Solution

Host: Ted Hart

Guest: Nina Vellayan – FrontStream Payments

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 in their field 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 *CAF America Radio Network*, Ted Hart.

Ted Hart: Welcome to this latest edition of the *CAF America Radio Network*. Thank you for joining us today. This is a bit of a momentous day because we're actually making an announcement today and sharing information on a groundbreaking partnership that will bring an entirely new service to corporations and the employees that want to be philanthropic in those corporations. Today, my guest here on the *CAF America Radio Network* is Nina Vellayan. She is CEO and President of FrontStream Payments.

She's a senior global executive with 20-plus years track record of successful, strategic and tactical leadership in turnaround and high-paced organizations within the payment industry. She's a visionary, which I can attest to. She's creative with a very positive attitude, a pleasure to work with and a pleasure to welcome here to the *CAF America Radio Network*. Welcome, Nina.

Nina Vellayan: Thank you, Ted. I appreciate that.

Ted: Nina, this is a very important day in a philanthropic marketplace. Tell us why today is so important?

Nina: Ted, first of all, working with CAF America has been a pleasure since we acquired TRUiST, which was really just as of a March 1st. Looking at TRUiST from our perspective and thinking about corporate giving, it's been a delight just learning about what your organization does, and how you enable all of this secure vetting of a charities in the US and outside of the US. Then obviously, what TRUiST does from the corporate giving perspective, volunteerism and matching and the fact that they support 250-plus corporate organizations, including dozens of Fortune 100s and how they facilitate corporate giving to any charity in the US from a donation dispersant process.

Also for charities outside the US. The fact that this partnership that we've created with CAF America is really going to open up, from our perspective and facilitate a need that our corporations are asking. Security is such a big issue, vetting charities from a fraud perspective is really important to our multi-national corporation. The fact that CAF America maintains such a secure process, has over I guess a 180,000-plus vetted charities that we can add to our current database, that will, again, facilitate a need that our corporations have been asking me since we acquired TRUiST to enable this global giving from my perspective's very, very important. A milestone in the market in truly where the market is headed.

Ted: I so appreciate you pointing all those important details out because we now have created between our two organizations, with the strength of FrontStream, TRUiST, and now CAF America joining this partnership, is the world's largest platform for online employee payroll giving, where now employees can give domestically and internationally. What I love about what you just pointed out is what brought us together are the things that corporations care so much about, and that is being philanthropic, but doing it safely in a compliant way and managing risk.

These are all the things that we discuss as we put this partnership together to make sure that those that you provide donor service to and those that we provide donor service to, now have a common platform where their employees can do great good around the world. Let's talk a little bit about FrontStream, TRUiST, the services that are provided there. Let's start off the basic services so all our listeners understand. Before the partnership, what did distinguish TRUiST in the marketplace?

Nina: Let me step back a little bit and give you a little bit on FrontStream and how we got here, because not only do we facilitate corporate giving, FrontStream actually supports nonprofits around the world as well. FrontStream in its vague nature is truly a payment technology company. We support clients in really three major sectors, charitable giving being our largest, education which we consider very close to nonprofit, and e-commerce. What we've built at FrontStream is an enterprise-wide, what we consider fundraising platform that supports corporate giving, but it also supports nonprofits.

From a tool perspective, when we think about the services that we offer with TRUiST, we added in a platform for workplace giving, employee giving, volunteerism, matching. We also support nonprofits with donor management, fundraising for causes, real-time reporting analytics. We also disperse donation dollars, as you said, through payroll deductibility, but we also disperse using our aggregation platform, and we do it securely. If you think about the quantities that we serve at the FrontStream, we service at any annual given year over 30,000 clients. If you think about donation dollars that process through our platform securely, it's approaching a billion as of 2014.

We support over 20,000 nonprofits annually also, using, as I just described, some of the services above through our enterprise-wide platform. We service nonprofits not only in the United States, but also in Australia, Canada, the UK, and New Zealand. FrontStream in total, on any annual given year, we process over 4 billion, over 70 million transactions. Security is key to us.

That's why we really are very happy with the CAF America partnership. I think philosophically, we both believe security and fraud prevention for a client is key to any successful processing.

When you think about the fact that we process over 4 billion, it really is what we think about every day. From a corporate perspective, I'm coming from and working for a large major corporation and risk aversion is just so important to us as well. Again, from the FrontStream perspective, we do handle that big 30,000 clients in any given year through our platforms and we do process over 4 billion. Much larger from the TRUiST perspective as well.

Ted: I want to take you to another very important topic and that is customer service. I just came back, as you know, from spending time with you and your team in Charleston, South Carolina, where you had Fortune 500 companies there with you, talking about the various services that you just outlined. I have to say I was so pleasantly, not surprised at all because, of course, we've done our due diligence on your company and CAF America is very careful about who they partner with and who we allow our names to be associated with. It was just such a pleasure to hear so many corporations after corporations, so very, very pleased with the staff that are involved in a customer service and the approach.

Talk to me about-- as you just put it on the table, what really binds us together is the interest in keeping our corporate donors safe and secure, both online and in the vetting process that we're engaged in, but what's there the role of customer service here?

Nina: Yes, Ted. Great question. That was from my perspective too. A really good users group have the opportunity to sit down with at least 10 Fortune 100 companies and to really listen to what their needs were and, obviously, you being there and you satisfying one of the largest needs, and that is to secure, obviously, disbursement of funds to a charity outside the US, to ensure that from a risk perspective. If a CEO of one of these major corporations wants to give to charity in South Africa, we can satisfy that need.

To think of it, the corporations and what they want is, they really do want a very stable platform for corporate giving. Obviously, you're handling payroll deductions from their employees, some of these corporations, on average, their employees give over 50 million. 50 million, that's just an enormous amount. And you want to ensure that you're doing it from a customer service perspective that they expect when you are very engaged with their internal philanthropic organizations or foundations with their employees addressing the needs of the employees, which we take very very seriously.

But when you're handling those types of dollars coming through from employees, you want to ensure that the platform that you're giving them is easy to use, that they can navigate through a very very quick way, and that we can show them in a real-time fashion where their dollars are going and really the status of the disbursement of the dollars going to these nonprofits.

Obviously, volunteerism is very very important, so our volunteer platform seems to be a product that the corporations really like. Matching is obviously very important, it's very

important to our nonprofits as well. If corporations are willing to match donations, very, very important as I said.

When we think about it from a customer service perspective and going back to the fact that we service not only corporations but nonprofits, we sit in this very unique middle ground of not only providing tools to nonprofits to facilitate their fundraising, to facilitate the good that they're doing in the community, but we're also providing a source of funds to these nonprofits coming from these corporations and we truly believe walking away from this conference, that from a unique position standpoint, we can bring these two communities together. There's no other corporation from my perspective that can that supports nonprofits and supports corporations and now what CAF America can offer their biggest needs which is vetting and disbursement of the donation dollars outside the United States.

When we sit and we think about this middle ground that we sit in, when you think about what corporations want, corporations really want to understand, so do their employees, what is the impact the dollars are making when we talk about 50 million-plus? What impact is it making on the local community? What nonprofits really want, is they really want this connection with corporate sponsors. And because we sit in the middle of those, with our data and our analytics, we think that we can help facilitate and bring together these two organizations. And then, like I said, with CAF America offering a huge need that we kept hearing over and over again since we acquired TRUIST.

The partnership brings three needs together, the impact, analysis the corporations are looking for, a relationship with corporate sponsors and then being able to disburse securely outside the US. Customer service to us is important, we're always available, we're here to answer questions, we're here to be a consultant with all the services that we offer to ensure that we put together the right program for our corporate clients but also for our nonprofit clients.

Ted: I couldn't agree with you more. We're going to take a really quick break. When we come back, I'm just going to share with you a couple of statistics to ask you to respond to when we come back from this very quick break. And that is 71% of companies gave to international and recipients last year and the corporate giving officers have identified business strategy and the employee footprint as the strongest drivers for the expansion of international giving. What those two pieces of data had in relationship to your interest and now having the strongest international grant-making partner available in the marketplace now working with FrontStream-TRUIST. We'll be right back.

Announcer: Remember our podcast and archives are always available 24 hours a day at cafamerica.org. If you're listening today, our phone lines are open. Call in and ask a question by dialing 914-338-0855. Now, back to the *CAF America Radio Network* and our host Ted Hart.

Ted: We're back here with Nina Vellayan, the CEO and president of FrontStream payments. What is the role of this growth in international to your interest in partnering with CAF America now?

Nina: Yes, Ted, great question. I start off by saying that we're close to processing over a billion. out of that billion, 250 million of that is to charities outside the US. And so just from net asset because we have acquired entities, Artez Interactive, which is our enterprise-wide fundraising platform with our employee base sitting in Toronto, Canada and Australia and partners in the UK, we do see this growth outside the US. What we've also seen is when you think about the growth from a country standpoint, Americans are the most generous. If you think about giving in the US, it's approaching 250 billion. And out of that 250 billion, 143 billion comes from individual givings, so Americans are extremely generous.

What you see now, is this really big change from the market dynamic of emerging countries. In China and India, we have seen this growth of the middle class. And take India for instance, India was at 1.3 billion people. You're seeing this emerging middle class of over 3 to 400 million, and what they're trying to determine is, how can they give to organizations that support their local communities as well.

If corporations who have employees in those countries as well, India and China predominantly, if we talk about it and what they're trying to figure out, is being a multinational corporation with all these employees outside the US, how can they facilitate giving? How can they give to charity that need to be vetted in those particular countries when they really don't have that capability? And corporations, this isn't what they do, so they want to secure third-party partner that, one, can do the disbursement, and, B, to emerging countries, support these middle classes but also the fact that they're building up their employee bases in these countries.

And what we want to try to do from a global-giving perspective is to be that company that has, as you said, the largest global vetted charity database, from an open platform perspective, and to help facilitate the need of the corporations but also provide really a tool for nonprofits in these countries that want to be vetted so corporate giving can be facilitated in these particular countries.

We believe working with CAF America, since you're the leader from this perspective, that you're going to help us as a partner really open up giving from a global perspective and, again, I always go back to security because it's the most important thing, to ensure that it's secure. And once we go through your process of vetting these particular charities, we can allow our other corporations that are multinational, that have employees, like I said, as an example within these two countries to give to the charities as well. We really want to facilitate that.

And we see just from a staff perspective, when you think of online giving, online giving is going to grow to out of that 250 billion, online giving is going to grow to over 17% by 2017. Right now it's about 6.4%, it's growing so fast. You have to have the right tools, and the right partners, and the right platform to facilitate it, and that's what we're helping to do.

Ted: Corporations have identified that their employees do care about the international space. Again, going back to the conference that you and I were just at in Charleston, South Carolina, some of the response from some of the Fortune 100 companies that I had a chance to speak

with was almost so shocking that, "Are you serious? My employees can get a tax deduction and be philanthropic around the world?" They were overjoyed.

Nina: They were. And you know what was interesting, Ted, some of these conversations if you think about it, some of these corporations and the foundation heads have tried this because their senior executive wanted and they explained to us how difficult it was and how it didn't work well and how once it doesn't work well, employees shy away from joining it again. They don't want that to happen. From their perspective, they want their international employees to be handled the same way the US employees are.

And they just can't do it internally even though they tried. Just the great comments we got from the conference of this partnership, which is kind of overwhelming. I mean, once it was announced there, you could just see the light bulbs going off, you can see the corporations very excited because no one's put this process together. When you think about TRUiST, I mean, TRUiST is one in every 10 disbursement for employee giving today. You add CAF America and you're vetted database and the corporation's we work with, you really have created this global database of vetted charities that makes it, hopefully, seamless and easy for these corporations to handle the US-based employees and international based employees exactly the same.

Ted: At the time of the taping of this live show CAF America has, 181,000 charities in our database that we can expedite grants to for American donors who wish to receive a tax deduction giving internationally. That's going to grow in the next couple of months to well over 200,000 charities, there's nothing else like it. What does that mean for the future of FrontStream-TRUiST in terms of being a leader in the payroll giving employee market space?

Nina: I mean, Ted, how important is that, right? I mean when we sit here and talk about the fact that all these corporations we work with and the fact that we were bringing on new corporations and you never know where they want to be able to give. The fact that you guys are so responsive and you're able to add charities in all of these various countries and you don't limit it.

You're willing to go where it takes, you're willing to meet our corporate clients' needs. Which we appreciate, we don't have the internal staff to that charities in remote parts of the world. The fact that this partnership and the fact that your database is growing helps facilitate that. As FrontStream grows, and we support more corporate clients, and we support more charities around the world, you just added to this global database that, again, I want to make it very clear that we want it to be an open platform.

We want any corporation to be able to use it. We also want to ensure that if you're a nonprofit, that if you want to go through a vetting process to be included in that we could help facilitate that as well with our partnership with CAF America.

If you think about the past before this partnership was announced, I think-- Again, there's other corporations that offer a similar-type service as a one-point solution. If you think about the combination of what FrontStream can offer with CAF America, which is opening up this

universe of the multitude of services. We're opening up this, what I call ecosystem that allows for this relationship between corporations and nonprofits in the US, outside the United States with the global vetted database. Then we can provide the facilitation between what a corporate clients want with the nonprofits in the US and around the world want. You're opening up this ecosystem that nobody else has, and no one else can facilitate, and no one else has the capability in the rich database that we do.

You talk about you going from 181,000 to over 200,000. We're growing exponentially with the number of corporations we're servicing and the nonprofits. As that database becomes richer, all the donor data that we support, all of the analytics that we support, the fact that we can pinpoint and put a profile to a donor that will help facilitate what the corporation's want from what are their employees giving beyond just employee giving.

What causes are they supporting through fundraising outside of just this one point? For nonprofits being able to give them relationships with corporations with these source of funds coming to them. You think about what CAF America does with grants. Grants is a huge source of funds to nonprofits. If you think about employee giving in the 50 million I keep pointing back to and the fact that TRUiST alone with its combination of disbursements over 220 million and then how they support the United Way, which is probably another 130 million, you're talking about 350 million just from the employee giving perspective going out.

Again, what we heard from corporations and our conference was they're multinational, they need a secure way of doing it. Between the two organizations and our philosophical way of handling the vetting process, it's just going to, again, open up this universe of being able to do philanthropic good throughout the world. I can't tell you I'm overly excited about what we put together, and I think we're meeting the market needs and market changes so quickly and we'll change along with it.

Ted: Well, I think you and I have been at this long enough that we know that true partnerships of this sort are often born from a combination of a shared values. I think in the case of this, the attention to detail, to risk management, to security, but also being very donor driven and where do the corporations want to direct their philanthropy, where do their employees want to. Doing that in a safe way and with over 22 years of experience in doing this CAF America is the market leader. Part of what we do is help with that risk mitigation by taking on the risk.

Because, as you and I know, if this is done incorrectly, there is a risk of IRS fees and penalties in the international space. If done incorrectly, there is a possibility of a loss of IRS tax deduction. There's a possibility of theft of funds. There's a possibility of damage to reputation. All these things add up to a lot of concern for corporations that want to expand into this space but really truly want to spend their time being strategic and philanthropic. Be able to partner with a group like we've created that allows them to not have to worry every day about the security, the regulation, the compliance, and reputation.

Nina: Absolutely. I think, Ted, the other thing that-- Go ahead, please.

Ted: Well, I just wanted to-- I'm watching the time here. We do only have a couple more minutes. I wanted to make sure that we both share, for all of our listeners today, how they can get in contact with us. Here at CAF America, we can be reached at info@cafamerica.org or simply by calling 703-549-8931 and if you'll share how folks can be in contact with FrontStream-TRUiST.

Nina: Yes, I mean if they go to either FrontStream's website, there's a "contact us" form that can be filled out same with TRUiST as well. Either way, they can go through online, fill out those forms, and we will contact them back immediately.

Ted: In this partnership, corporations that want to avail themselves of these combined services can either contact FrontStream-TRUiST or CAF America, they're going to be able to get the same level of service because, again, we partner together, we bring those corporations together. We will make sure that whatever their needs are that we seamlessly have that solution for them. I do apologize, we do have a couple minutes left. I cut you off. You had a final statement that you wanted to share with our listeners today.

Nina: No, Ted, I was just going to say, I mean, I think the other thing that we heard is when you think about what corporations want, and this goes back to nonprofits as well, they're looking for a single provider. I think what the market has provided them in the past is single point solutions. I think they have to go to a multitude of vendors to do everything that they wanted.

The fact that we're providing an integrated solution across a workplace giving, volunteerism, matching, international vetting of charities, disbursements, fundraising toolsets as well so employees can support their causes, the data analytics is just so important. I think if you think about the online giving market in general, it's only three to four years old. Out of that 250 billion, only 6% point to the 17. The market is looking for a provider that can provide an enterprise-wide solution.

With CAF America, you're filling another need but it's not where it's independent of the platform. As you pointed out, it's fully integrated. You're adding those 181 vetted charities into our database. It becomes a very seamless process to the employees and a very seamless process to the corporations. I think that's really important as well as the disbursement going out to the NPL. Because you have to ensure you're doing it securely but you have to ensure that you can also track it.

I think the direction we're moving as a combined entity with our partnership is really what the market is looking for.

Ted: Exactly. Thank You Nina Valayan, CEO and president of FrontStream payments for joining me here today on the *CAF America Radio Network*. Today we launched the world's largest collection of charities available for employee matching giving in a very exciting announcement today. Don't forget that you can contact CAF America at 703-549-8931 or go to cafamerica.org, and you can listen to all of our podcasts by clicking on the media tab. Nina, thank you for joining me today. Everyone, thank you for joining us here on the *CAF America Radio Network*.

Nina: Thanks, Ted.

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