

# FREQUENTLY ASKED QUESTIONS FOR FOREIGN CHARITABLE ORGANIZATIONS



CAF AMERICA CAN EXPEDITE CHARITABLE DONATIONS TO **MORE THAN 1.8 MILLION** ORGANIZATIONS IN **110 COUNTRIES** AROUND THE GLOBE

## Who is CAF America

Founded in 1992, Charities Aid Foundation of America (CAF America) is a US 501(c)(3) public charity whose mission is to make giving internationally safe, easy, and effective for US donors. To accomplish this mission, CAF America streamlines the global grantmaking process, reducing risk, reputational exposure and administrative burden, while at the same time enabling its clients to make strategic, cost-effective, and tax-advantaged grants. CAF America provides global reach as a member of the CAF Global Alliance, with offices and partner organizations in the United Kingdom, Canada, Australia, India, Russia, Bulgaria, South Africa, and Brazil.

CAF America makes an average of 6,000 grants annually, totaling \$532 million in the last five years, to legitimate organizations in over 110 countries around the world. CAF America works with many types of donors including individuals, corporations, and foundations, offering a wide array of international grantmaking and advisory services.

## How does CAF America assist foreign charitable organizations?

CAF America provides foreign charitable organizations with the ability to offer their US donors a tax-effective means of supporting them. Our solutions provide foreign charitable organizations with an alternative to establishing a US 501(c)(3), which can be a lengthy and expensive process. Instead, foreign charitable organizations can direct their US donors to CAF America, who will help facilitate their grant recommendation. Find out more about the different types of services we offer on our website [www.cafamerica.org](http://www.cafamerica.org), and below, in the question “What are the costs associated with working with CAF America?”

*Please note that CAF America is a donor driven organization. CAF America does not have discretionary funding, and all of our grants are made to foreign charitable organizations at the recommendation of our donors. We do not provide fundraising services nor do we assist in finding US donor support.*

## How does CAF America work?

US donors cannot receive tax deductions for giving directly to foreign charitable organizations. CAF America serves as an intermediary grantmaker, allowing US donors to support international causes tax-effectively. By making their gift to CAF America, a US public charity, US donors can receive a tax-receipt for their gift. Along with their donation, the donor may recommend that CAF America use those funds to support a foreign charitable organization of their choosing. If the suggested organization is already eligible to receive grants from CAF America, we can make the grant. If the suggested organization is not already listed in our database, CAF America will first have to conduct the due diligence necessary to determine the organization’s eligibility.



## How do I initiate the validation process and what does that entail?

There are two ways to initiate our eligibility process: (1) a US donor makes a donation to CAF America recommending your organization, or (2) you request to initiate the process yourself. Option 1 incurs no additional fees from your organization. Option 2 incurs an application review cost of \$350 USD.

CAF America's application process is as follows:

### 1. Submit a complete, signed Grant Eligibility Application (GEA).

The GEA is CAF America's general application. After your US donor makes their gift and recommendation, or after you pay the \$350 fee, we will send you the GEA to complete, sign, and submit along various supporting documentation (as referenced below).

### 2. Submit supporting documents.

CAF America's due diligence process also involves a review of several documents that are required of most registered organizations. Please see the list below for the exact documents we require to be submitted. Please note that CAF America does require English translations of all documents, however these translations do not have to be formal, professionally commissioned, or notarized.

- Governing documents. This can be a constitution, by laws, trust deed, memorandum and articles of association, or other organizing documents that describe how the charity is structured and governed. We need both an original language copy and an English translation.
- Financial documents. We prefer to review your most recent audited financial statement. We will review a copy of an un-audited statement if you are not required by law to produce an audited financial statement.
- List of current directors and/or trustees.
- Proof of registration in the organization's country of residence.

### 3. CAF America reviews your application.

Once CAF America receives the completed GEA and supporting documents, we begin an extensive 3-tiered

review of the organization. Our review evaluates various aspects of the organization's finances and operations including its structure and governance, financial health, not-for-profit status, goals, programs, and how grants from CAF America would be used.

## How long does the review process take?

From the date we receive the completed GEA and all supporting documentation, the application review process generally takes between 4-6 weeks. It can take much longer if the GEA is incomplete or we do not receive all the required supporting documentation. You can check the status of your application or ask any questions by calling **+(1) 202-793-2232** or emailing **apply@cafamerica.org**. If you are approved for eligibility, we will send you an email alert containing details of your eligibility, a copy of the countersigned grant agreement, and a gift form to distribute to your donors. During your eligibility period, you may receive grants at any time from CAF America and do not need to reapply for eligibility for each grant received.

## I am a registered charity in the UK or Australia. How can my eligibility be streamlined?

Thanks to our Global Alliance offices in the UK and Australia, CAF America has a streamlined grantmaking process for UK and DGR Item 1 Australian charities. This streamlined process allows us to grant to these organizations without first reviewing an application from the charity. Therefore, these organizations do not need to apply for CAF America eligibility. This has benefits all around; it drastically cuts down on paperwork for the charity, and it means that we no longer have to collect reports on how grant funds are expended. If you have US donors lined up, we are able to accept gifts and send grants to your registered organization at any time, so long as you remain in good standing with your respective Charity Commission/Register.

## How long does eligibility last?

Length of eligibility is completely dependent upon the application and review process, however standard eligibility periods with CAF America last for: three years if properly registered in the UK, US, Australia, or Canada; two years for organizations in all other countries.

## What do I do if my organization's eligibility with CAF America expires?

When your organization's eligibility is due to expire, you may renew your eligibility status at no additional cost. You will need to complete and sign a new GEA in full, sign an accompanying addendum asking for verification that none of the organizing documents have changed (or, if they have, you will need to submit any updated documents), and submit your most recent audited financial statements along with a current list of directors/trustees.

*If you are a registered charity in the UK or Australia, you may still be eligible with us. Please see the question "I am a registered charity in the UK or Australia. How can my eligibility be streamlined?" above.*

## What are the costs associated with working with CAF America?

### 1. Donor Advised Gifts (DAGs).

Through this service, donors can make single one-off gifts to CAF America with your organization as a suggestion. This option starts with fees at 8% of the first \$100,000, with a minimum fee of \$80. For a complete list of fees please see the DAG flier located on our website.

### 2. Friends Fund

This service is designed for foreign charitable organizations expecting a large amount of long-term support from US donors. If you are planning to launch a fundraising appeal here in the US, our Friends Fund would save you money and eliminate the time and trouble of establishing and administering a public charity in the US. Donations of any size are accepted into a Friends Fund and balances are paid out to the foreign nonprofit on a quarterly basis. This option has a \$1,000 set-up fee, a \$2,500 annual fee, and the per gift fees start out at 3%. For a complete list of fees, please see our Friends Fund flier on our website.

## What else can CAF America do for me?

In addition to making it possible for US donors to help support you, every charity that is eligible with CAF America is listed in our online public database at [www.cafamerica.org](http://www.cafamerica.org). We encourage you to review your profile on the website and inform us about any changes so we can update it regularly. Please also send us information about your projects and successes, particularly about how grants from CAF America have impacted your organization's work. We often feature success stories in our publications.



### QUESTIONS?

Give us a call at  
**202-793-2232**

Please contact us to learn more about how CAF America—an organization with over 27 years of experience—can enable you engage with American donors