

International Fundraising from the USA: Opportunities for UK Charities

Training Course Handouts

**Directory of Social Change
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USA FUNDRAISING RESEARCH RESOURCES

I. General Information on Fundraising and Prospect Research

Name	Website	Fee	Additional Information
"The Chronicle of Philanthropy"	www.philanthropy.com	Print, to UK: \$124/yr; Digital: \$81/yr	Published 18 times a year, this is the chief fundraising news publication in the US. Useful subscriber access to on-line archive.
David Lamb's "Prospect Research"	http://www.supportingfundraising.com/lambresearch-david-lambs-prospect-research-page/	Free	A good, if quirky, introductory site for individual, foundation, and corporate research by a senior consultant to Blackbaud.
The Foundation Center	www.foundationcenter.org	Some data free	The chief publisher of data on the US philanthropic sector. Large publications/online list for all sources (note foundation-specific materials in section II below).
FundsNet Services Online	www.fundsnet services.com	Free	Well-organized website with links to foundations, corporations, and grantmaking public charities.

II. Foundation Research

Name	Website	Fee	Additional Information
Chapel & York	www.chapel-york.com	Varies	Chief UK publisher in hard copy and e-versions, and workshop provider, of data on the US philanthropic market.
The Foundation Center	www.foundationcenter.org	Some data free	The following are samples of foundation-specific publications.
<ul style="list-style-type: none"> ▪ "Foundation Directory Online Quick Start" 	www.foundationcenter.org/find-funding	Free	A starting point for research, if one has identified a prospect's name.

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Name	Website	Fee	Additional Information
▪ “The Foundation Directory Online”	https://subscribe.foundationcenter.org/fdo	Online (for 1 user): from \$50/mo or \$400/yr to \$200/mo or \$1,500/yr	Offered at 3 levels; “Professional” (top) level needed for good international coverage. With this publication alone, one could conduct an adequate private and corporate foundation campaign in the US.
FoundationSearch by Metasoft	www.foundationsearch.com	Fee-based, unpublished rate, but reportedly more expensive than its rival, Foundation Directory Online	An alternative, subscription-only source for foundation research. It includes US, Canadian, and UK foundations. It is a powerful but complex database, designed in part for grantseekers outside the US.
Michigan State University	http://staff.lib.msu.edu/harris23/grants/2sgalpha.htm	Free	A good, annotated list of resources for grant information maintained by a major American university.

III. Researching Tax Returns of Charities, Including Private Foundations

Name	Website	Fee	Additional Information
Foundation Center’s Foundation Finder	http://fdo.foundationcenter.org/	Free	Easier to use than Guidestar, with some search capacity and 3 years of tax returns.
GuideStar	www.guidestar.org	Basic service free, but requires registration	The premier website for tax returns (“Form 990” and “Form 990-PF”) with 3 years of returns for most of the US’s 1.6 million charities (including 85,000+ foundations). This is the single most important source for unedited tax data. A variety of proprietary products are also offered.

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IV. Official Forms

Name	Website	Fee	Additional Information
Establishing “Equivalency”	http://www.mott.org/grantsandguidelines/ForGrantees/granteeforms	Free	Charles Stewart Mott Fdn. provides the affidavit , Public Support Schedule, and Major Donor Support Form, along with instructions to establish a non-US charity’s “equivalency” to a US 501(c)(3). Select “Affidavit Packet for Non-U.S. Grant Applicants.”
Official recognition of any US charity (including “American Friends groups”) by the Internal Revenue Service	http://www.irs.gov/charities/article/0,,id=249767,00.html	Free	“EO (Exempt Organizations) Select Check”: official list and location of recognized US charities, including foundations. Sometimes called “Publication 78” from its prior, print name.

V. Corporate Information

Name	Website	Fee	Additional Information
Corporate Information	www.corporateinformation.com	Fee-based	An internet portal that provides links to information about 35,000 publicly-traded companies worldwide.
Hoover’s Online	www.hoovers.com	Fee-based	Even if its claim of 85 million companies is exaggerated, it is an excellent database for information about top executives, corporate boards, and subsidiary relationships. It is not strong, however, on corporate philanthropy.

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VI. Individuals

Name	Website	Fee	Additional Information
Newspapers: Newslink	http://newslink.org	Some free data	An internet portal linked to most US newspapers – daily, weekly, campus, special constituency.
The “Social Register”	www.socialregisteronline.com	Print, overseas: \$184	Published annually, covers a small group of “establishment” individuals, with information on addresses, family members, club memberships, private telephone numbers, and educational affiliations.

VII. Individual Wealth and Giving Capacity

Name	Website	Fee	Additional Information
Dun and Bradstreet	www.dnb.com/us	Fee-based	Covers millions of businesses and is often the only source for information on small private companies. Separate reports are charged.
“Forbes Magazine”	www.forbes.com/lists/	Fee-based	Includes “The Forbes 400” (richest Americans), as well as many other groups, e.g., Celebrity 100 and China’s 400 Richest. There are often profiles, of varying length, on many individuals.
Salaries	http://jobstar.org or www.salary.com	Some free data	For information on professional compensation based on job title. Salary.com includes Canadian information.
“Slate Magazine”	www.slate.com	Free	Slate is the online magazine of Microsoft and lists the 60 largest American charitable contributions each year “The Slate 60.” This same list is found in “The Chronicle of Philanthropy”, but Slate is searchable and provides commentary.
“Time Magazine”	http://www.time.com/time/magazine/archives	Free	A leading middle brow US weekly news magazine. Similar: US News & World Report.

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VIII. Addresses of Individuals and Businesses

Name	Website	Fee	Additional Information
Telephone-based search	www.anywho.com	Free	Maintained by AT&T, the principal legacy US telecommunications company, permits forward and reverse searches by name/address or by phone number, for residence and business landlines.
United States Postal Services	www.usps.com	Free	The website is convenient for finding zip codes and completing partial addresses. It is very useful when editing a mailing list.
White Pages	www.whitepages.com	Free	Offers free addresses and phone searches on individuals and businesses.

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**[SAMPLE]
CONSOLIDATED PROSPECT LIST**

**Expanded USA Fundraising
by
[name of your charity]**

[Logo]

Financials Key:

- ① Assets
 - ② Giving
 - ③ FYE Dec
- (unless month specified)

CONSOLIDATED PROSPECT LIST

ALCOA FOUNDATION, Pittsburgh, PA		
Foundation Directors	Corporate Board of Directors	Staff
Esra Ozer, Pres. Dean Will, Contr. & Bus. Mgr. Michael T. Barriere John D. Bergen Alan Cransberg Franklin L. Feder Shauna Hwang Lysane Martel Tim D. Myers William J. O'Rourke William F. Oplin Shannon Parks Rosa Garcia Pineiro Vitaliy V. Rusakov Maxim Smirnov	Klaus Kleinfeld, Chairperson Arthur D. Collins, Jr. Kathryn S. Fuller Judith M. Gueron Michael G. Morris E. Stanley O'Neal James W. Owens Carol L. Roberts Patricia F. Russo Martin Sorrell Ratan N. Tata Ernesto Zedillo	Esra Ozer, Pres. ① \$468 million ② \$25.4 million ③ 2014

FORD FOUNDATION, New York, NY		
Trustees	Financials	Staff
Kofi Appenteng, Chair. Darren Walker, Pres. Ursula Burns Francisco Cigarroa Tim Berners-Lee Martin Eakes Amy Falls Juliet V. Garcia Irene Hirano Inouye J. Clifford Hudson Robert S. Kaplan Lourdes Lopez Thurgood Marshall, Jr. Paula Moreno N.R. Narayana Murthy Peter A. Nadosy Cecile Richards	① \$12.3 billion ② \$560 million ③ 2014	<u>New York Headquarters:</u> Darren Walker, Pres. Martin Abregu, VP, Democracy, Right and Justice Program Hilary Pennington, VP, Education, Creativity and Free Expression Program

V. KANN RASMUSSEN FOUNDATION, New York, NY		
Trustees	Financials	Staff
Hans Kann Rasmussen, Chair Dr. Lois E.H. Smith, Mgr. Dir. Anne-Margrete Ogstrup-Pedersen Kristian Kann Rasmussen Astrid Kann Rasmussen	① \$85 million ② 3.4 million ③ June 2014	Dr. Lois E.H. Smith, Mgr. Dir. Irene Krarup, Assoc. Dir.

Establishing Equivalency to a USA Charity

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 Affidavit for Non-US Grantees..... C-2
 Public Support Schedule..... C-4
 Major Donor Support Form C-5

Procedures

Determining “Equivalency”

The Internal Revenue Service offers a “safe harbor” provision by which a grantmaker can determine that a non-US charity is “equivalent” in law to a US charity and therefore a suitable recipient of grants. This technique is in widespread use throughout the US private foundation community. When equivalency is proven by this method, the grantmaker is assured that the funds it awards will count as “qualifying distributions” toward the annual requirement that every foundation spend a minimum of 5% of its asset value.

The legal elements of this procedure are found in **Revenue Procedure 92-94**, published at 1992-46 Internal Revenue Bulletin.

Affidavit and Financial Data

There are two forms of documentation required by the Procedure. First, a grantee must provide an **Affidavit** testifying to the organization’s activities and affirming the existence of certain legal or customary limitations on those activities.

Second, the grantee must furnish financial data on two forms. The **Public Support Schedule** requires characterizing the sources of all income over five complete fiscal years in order to prove that the charity was NOT supported by just a handful of donors. If one-third of income is from the public at large, “publicly-supported” status is automatic. If between 10% and 33% of income is from the public at large, an extra statement is required, but “publicly-supported” status is usually granted.

To complete the support schedule requires a review of the last five years of a charity’s income sources, characterizing each “stream” of income in one of six categories. The **Major Donor Support Form** is a sub-form that produces a single number, for insertion on Line 8(g) of the public support schedule. To complete the Form, it will be necessary to identify every donor/supporter/agency who contributed more than 2% of the total raised over the last five years.

The Affidavit, Public Support Schedule, and Major Donor Support Form are included below. The affidavit is a model used by the Charles Stewart Mott Foundation for its non-US grantees and is offered online.

Affidavit for Non-US Grantees *(Type or print clearly)*

AFFIDAVIT FOR: _____

(Complete legal name of grantee organization, hereafter referred to as "the

I am making this statement to assist grantmaking foundations in the United States of America in determining whether the Grantee is the equivalent of a public charity described in Section 509(a)(1), (2), or (3) of the United States Internal Revenue Code.

1. I, _____, am the _____
(name of principal officer or director) (title of principal officer or director)
of the Grantee authorized to complete this Affidavit.

2. The Grantee was created in _____ under the laws of _____
(year) (identify country)
by _____ and is
(identify statute, charter, or other document)

operated exclusively for the following purposes (check all boxes that apply):

- charitable
- scientific
- educational
- religious
- literary
- fostering national or international amateur sports competition
- prevention of cruelty to children or animals

3. Explain past, current, and future programs and activities of the Grantee:

4. I have **attached** copies of the charter, bylaws, and other documents that govern the Grantee.

5. The laws and customs that apply to the Grantee do not permit any of its income or assets to be given to, distributed to, or applied for the benefit of, a private person or non-charitable organization other than (a) as part of the Grantee's charitable, religious, scientific, literary, or educational activities, or (b) as payment of reasonable compensation for services provided to the Grantee, or (c) as payment for the fair market value of property the Grantee has purchased.

6. The Grantee has no shareholders or members who have a proprietary interest or ownership claim in the income or assets of the Grantee.

7. The laws and customs that apply to the Grantee do not permit it, other than as an insubstantial or minor part of its activities, (a) to engage in activities that are not for charitable, religious, scientific, literary, or educational purposes, or (b) to attempt to influence legislation, by propaganda or otherwise.

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8. The laws and customs that apply to the Grantee do not permit it, directly or indirectly, to take part in any political campaign on behalf of, or in opposition to, any candidate for public office.
9. The Grantee is not controlled by or operated in connection with any other organization, other than as follows (list legal name of organization and describe relationship):
10. The Grantee is (check one applicable box):
- a school, meaning an educational organization for which all of the following statements are true: it normally maintains a regular faculty and curriculum; it normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on; it has adopted, and operates according to, a racially nondiscriminatory policy as to students; and it either receives substantial funding from the government or has completed IRS Form 5578

 - a hospital whose primary purpose or function is to provide medical or hospital care
 - a church or convention of churches (church, synagogue, temple, mosque, or other formal place of worship)
 - a governmental agency (describe): _____
 - none of the above, but still a publicly supported charitable organization (you must **complete and attach** a Public Support Schedule and Major Donor Support form covering the past five years)
11. Under the laws and customs that apply to the Grantee, or under its governing documents, if the Grantee were liquidated or dissolved, all of its assets would be distributed to another not-for-profit organization with charitable, religious, scientific, literary, or educational purposes, or to a governmental agency. I have **attached**, in English, the provisions in the Grantee's own governing documents that control the distribution of the Grantee's assets upon liquidation. I have checked with the Mott Foundation to determine if the Foundation has on file the statute of the Grantee's country governing this procedure. If requested, I have **attached** a copy of the statute in English.

I declare that the foregoing and any supporting documents are true and correct to the best of my knowledge.

Signature of person identified above

Date

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PUBLIC SUPPORT SCHEDULE (LATEST 5 YEARS)

Grantee Name:

Currency:

	Calendar Year (or fiscal year ending in)					Total Received	Public Support	Total Support
	20 __	20 __	20 __	20 __	20 __			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1. Gifts, grants, and contributions received.								
2. Membership fees received.								
3. Program service revenue: gross receipts from admissions, merchandise sold, services performed, or facilities provided. Include only activities related to the charitable purpose of the organization.								
4. Gross income from interest, dividends, rents, and royalties.								
5. Net income from business activities that are unrelated to the organization's charitable or other exempt purpose.								
6. The value of services or facilities furnished by a governmental unit without charge.								
7. Total of lines 1 through 6.								
8. Enter 2% of line 7(h) _____. Complete Major Donor Support form, listing each organization or individual whose contributions for the four years exceeded this amount.								
9. Subtract line 8(g) from line 7(g).								
Divide line 9(g) by line 7(h) to get % of Public Support.							%	

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MAJOR DONOR SUPPORT FORM (LATEST 5 YEARS)

Instructions:

Enter 2% figure from line 8 of Public Support Schedule: _____ throughout column (g) of this form.

List all "major donors". These are contributors whose five-year total is more than the 2% figure.

List all their contributions over the past 5 years.

Enter the appropriate number (see box) in the KEY column beside each donor's name.

Deduct 2% figure of each donor's total contribution.

Transfer bottom total of column (h) (see yellow box) to Public Support Schedule in column 8 (g).

Key for Types of Funding Support

- 1 Individual or family
- 2 Company or corporation
- 3 Governmental agency or organization
- 4 Private foundation (a grant maker like the Foundation)
- 5 Publicly supported organizations
- 6 Other - describe as clearly as possible

Names of major donors	KEY	Calendar Year (or fiscal year ending in)					Total	2% figure	(f) minus (g)
		20__	20__	20__	20__	20__			
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Totals									

Enter this amount on line 8(g) of Support Schedule

**ARE YOU READY FOR USA FUNDRAISING?
SELF-ASSESSMENT QUESTIONNAIRE ©2016**

Whether a British organization can successfully raise funds from American sources depends on many circumstances. Below are some of the qualities that define organizations which are succeeding in the American market. There are two versions of this questionnaire: the first is generally applicable; the second, for organizations with alumni/ae (or equivalent) in America.

Answering the Questionnaire: Each “yes” answer is weighted equally. Total the number of “yes” answers and consult the key at the end.

Question	Response
1. Is your organization a registered charity in the UK?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Are some of your audience based outside the region of your base of operations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Is your annual operating (non-capital) expenditure above £ 250,000?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Is your annual operating (non-capital) expenditure above £ 1 million?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Do you currently raise any income from private sources (individuals, foundations, or corporations)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Do any of your board members donate their own, their corporation's, or their foundation's money to your organization?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Do you have 10 or more fulltime staff in your organization?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Are any of your staff currently assigned fulltime to fundraising duties?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Do you anticipate that your board members, if asked and instructed properly, will help the staff to raise funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Do you have any professional or personal contacts in the USA to whom you, with advice, could speak about fundraising?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Can you identify one or more specific projects, each with its own expense budget, for which you could request support?	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Can you identify other charities doing work similar, in part, to your own, based in any country?	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Can you afford 12-24 months of investment of time and resources before earning a cash return from a USA fundraising initiative?	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Can your chief executive make time to participate in a USA fundraising program?	<input type="checkbox"/> Yes <input type="checkbox"/> No
15. Do you have a senior staff person who can take primary responsibility for implementing the program on a week-to-week basis?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Are organizational circumstances stable enough for implementation of a new initiative, e.g. no change in chief executive or financial crisis?	<input type="checkbox"/> Yes <input type="checkbox"/> No

KEY	
12 or more YES	= a likely candidate for USA fundraising
8 to 11 YES	= a possible candidate for USA fundraising
7 or fewer YES	= an unlikely candidate for USA fundraising

**FOR CHARITIES THAT HAVE IDENTIFIED GROUPS OF “ALUMNI”
(OR EQUIVALENT) IN AMERICA:**

Question	Response
1. Do you have 50 or more alumni in America who are USA taxpayers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Do you have 250 or more alumni in America who are USA taxpayers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Do you have current (used successfully within 3 years) contact/coordinate information, for paper or electronic communication, for your USA alumni?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are you in regular contact, eg, by newsletter (hard copy or electronic) or social media, with your USA alumni?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Have you conducted any publicity or marketing activity in the USA, aside from routine newsletters and the like, for your USA alumni within the past 5 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Have you asked your USA alumni for cash contributions within the past 5 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Do you have reliable donor records for gifts from USA alumni?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Do any Americans serve on your organization’s board of governors or advisory committees?	<input type="checkbox"/> Yes <input type="checkbox"/> No

KEY	
7 or 8 YES	= a likely candidate for USA fundraising
3 to 6 YES	= a possible candidate for USA fundraising
0 to 2 YES	= an unlikely candidate for USA fundraising