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Expanding Your Horizons

For donors looking to target specific causes overseas, the old standbys don't always do the trick

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Americans have shown a growing interest in philanthropic causes overseas in recent years. But giving abroad can be complicated for those who want their money to go to a specific cause in a particular region—say, education in Southeast Asia or health care in sub-Saharan Africa.

The Journal Report

See the complete [Philanthropy](#) report.

Ensuring that such donations reach their intended target and are used effectively, are tax-deductible and don't violate antiterrorism laws or any other U.S. government restrictions can be a daunting task. Well-known organizations like the American Red Cross provide a convenient way for many people to make contributions. But they aren't set up to target donations the way some contributors would like.

Those are some of the reasons many donors opt to work with U.S.-based intermediary charities created for international giving. These organizations act as a channel for donations, ensuring that the money goes to reputable recipients and has the desired effect, and that contributions meet all legal requirements. Because they are U.S.-based, donations made through them are tax-deductible.

Many Ways to Give

Donors can fund causes in a number of ways through intermediaries, from a one-time donation of a few dollars to sustained support totaling hundreds of thousands of dollars or more. Contributors can ask an intermediary to direct money to a cause they have chosen, or choose to support projects an intermediary recommends. Contributions can be made by individuals, groups, foundations or companies.

A list of intermediaries and nonprofits involved in international philanthropy can be found on the Web site of U.S. International Grantmaking, usig.org, a project of the Council on Foundations and the International Center for Not-for-Profit Law.

When Dale Van Aken, founder of a Pennsylvania technology company, and five of his friends heard of water shortages in Zambian villages from an acquaintance who was born in that country, they decided to donate and raise money to drill wells there. They chose not to funnel the money through church groups



Through GlobalGiving, donors have given to the Indian group Seva Mandir, which supports education for children in remote parts of India *GlobalGiving Foundation/John Hecklinger*

or send it directly to nonprofits in Zambia, for a number of reasons.

To draw from the broadest pool of potential donors, they decided to work with secular organizations. And they didn't want to send money directly to Zambia because they didn't know how to ensure that they didn't violate any laws on money transfers overseas, or that the donations would be tax-deductible, another key to attracting as many donors as possible. "I didn't want to have to hire a lawyer, and I didn't want to have to study [the paperwork] for a week," Mr. Van Aken says.

Making It Easier

He and his friends ultimately settled on using a New York-based intermediary charity, the King Baudouin Foundation U.S., as a conduit for their donations. The foundation set up a so-called donor-advised fund for the group. Contributors donate money to the fund, and the foundation then distributes money from the fund to water projects in Zambia recommended by Mr. Van Aken and his friends.

Donations are tax-deductible, and the foundation checks the background and track record of the recipients, confirms that the funds are used as directed and ensures compliance with U.S. antiterrorism laws. It charges a fee that starts at 4% for the first \$100,000 or less of each grant sent overseas and drops to 1% of the amount above \$400,000.

"Without them, we would have had a much more difficult time collecting money and complying with laws on transferring funds," Mr. Van Aken says. He estimates that over five years the fund has transferred about \$170,000 to drill wells in villages across Zambia.

It takes a minimum of \$15,000 to set up a donor-advised fund at the King Baudouin Foundation U.S., but there is no minimum for subsequent gifts.

Intermediaries can also take a more active role in directing donations, providing a bridge to recipients that donors otherwise might not have known about or been able to reach.

Pandju Merali, an 80-year-old retired businessman in Seal Beach, Calif., says he turned to intermediary groups after he wrote to education departments in developing countries about his interest in funding women's education and received no response. "I was having a difficult time [giving] money," he says.

Now, he works with a handful of intermediary charities to identify and donate to universities and young women in need of funding. He established a foundation named for his wife, the Shirin Pandju Merali Foundation, that has funded more than 700 students in India, Afghanistan and elsewhere by making donations through GlobalGiving, a nonprofit in Washington, D.C.

GlobalGiving works with hundreds of grass-roots groups around the world, which it vets to ensure they meet U.S. tax and antiterrorism rules. Some local partners help identify the universities and students who meet Mr. Merali's requirements. GlobalGiving provides Mr. Merali progress reports on the performance of the students he supports. GlobalGiving usually charges 15% of the size of each grant, though on rare occasions fees may be negotiated on large grants. Mr. Merali, for instance, pays a 10%

How to Give Abroad

Selected organizations that provide general guidance on international philanthropy (in the case of the first group) or serve as intermediary charities that can assist donors in giving around the world

U.S. International Grantmaking

usig.org

This group's Web site offers detailed tips on international grant making. Click on "Links" and "Intermediary/Partner Organizations" for information on a number of nonprofits involved in international philanthropy.

Give2Asia

give2asia.org

Focus: Asia

Minimum donation: \$5,000 for a donor-advised grant. Donations of any size can be made to Give2Asia funds set up to respond to disasters in the region.

Payment types/methods: Cash, check, credit cards, money order, securities. Payments accepted by wire transfer, mail, online.

Resource Foundation

resourcefnd.org

Focus: Latin America and the Caribbean.

Minimum donation: \$2,500

Payments: Cash, check, credit cards, money order, securities. Phone, mail, online.

CAF America (Charities Aid Foundation)

cafamerica.org

Focus: Works globally.

Minimum donation: \$500 for an advised gift by an individual; \$5,000 to set up a donor-advised fund.

Payments: Check, credit cards, stock. Online, mail, wire transfer, phone.

King Baudouin Foundation U.S.

www.kbfus.org

Focus: Europe and Africa

Minimum: \$5,000 for an advised gift; \$15,000 to set up a donor-advised fund; no minimum to contribute to existing donor-advised fund.

Payments: Cash, check, money order, credit cards, securities. Online, mail.

Source: WSJ reporting

they provide me the proof," Mr. Merali says. "The money is going the way I want it to go." Jim Krejci, adviser at GlobalGiving, estimates Mr. Merali has 1.5 million through GlobalGiving over the past half.

Donations

With less to give can still direct their contributions to causes abroad.

King Baudouin Foundation U.S. allows donors to set up what it calls an advised gift of \$5,000 or more to a nonprofit of the giver's choice overseas. As it administers advised funds, the foundation vets recipients of the funds and ensures that the money is put to good use. The foundation charges a fee that starts at 5% of the first \$100,000 and drops to 1% of any amount over \$400,000. All contributions are tax-deductible.

CAF America's Charitable Gift Fund allows a donor to set up a giving account of \$5,000 or more and then direct that money to any of the U.S.-based charities in the fund that do international work, or to any of the charities. Contributions are tax-deductible. An administrative fee starts at 0.6% for the first \$500,000 in an account and declines for amounts above that level.

Smaller donations can be targeted to specific causes through intermediaries including GlobalGiving. Donors can use the GlobalGiving site, choose among projects posted there if the organization has vetted and make tax-deductible donations of as little as \$10. One recent post, for example, sought donations for learning centers for rural women. A \$25 donation would help 15 women read, it said; \$75 would pay for a month of a teacher's salary for 30 literacy students.

Of course, people can give directly to organizations abroad if they're willing to forgo a tax deduction. Such donors also forgo having the recipients' track records and effectiveness checked out for them. And they need to check for themselves with the Treasury Department whether the country the recipient is based in has an embargo imposed on it by the U.S. government or whether the recipient is on a government list of known terrorist organizations.

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