

DOING GOOD

Giving abroad can be tricky. Here are *FIVE WAYS*

WHEN Christel DeHaan heard of the sexual-abuse scandal at the Oprah Winfrey Academy for Girls, west of Johannesburg, South Africa, the private philanthropist didn't tsk-tsk. She sympathized. Ten years after founding Christel House, an international academy based in Indianapolis that Winfrey studied before founding her own, DeHaan knew that bad things can happen even at charities with "the best of practices." Horrible as they can be, however, such occasional violations in trust were once an unavoidable risk for donors supporting organizations abroad. But as news of criminal activity at charities—whether international or domestic—has spread, donors are increasingly wanting more than an assurance that their gifts are being put to good use. They want proof.

That's a tall order for any group, explains philanthropy expert Paul Light, who studies nonprofits at New York University. "There's really no way to know," he says, "but you can satisfy at least some of your concerns by getting to know the organization as well as you can."

Even that gets tricky when gifts are traveling thousands of miles—too far for most donors to have in-person contact. What's more, to claim a tax deduction, you must donate to either a U.S.-based organization running its own programs overseas, such as Heifer International, or to a legitimate intermediary, a U.S. group that supports grassroots organizations on the ground, such as the Global Fund for Women. In either case, it can be difficult to tell exactly where your money is going.

Intelligent international giving takes the same research you'd do before giving to a domestic charity. Verify groups' standings with rele-

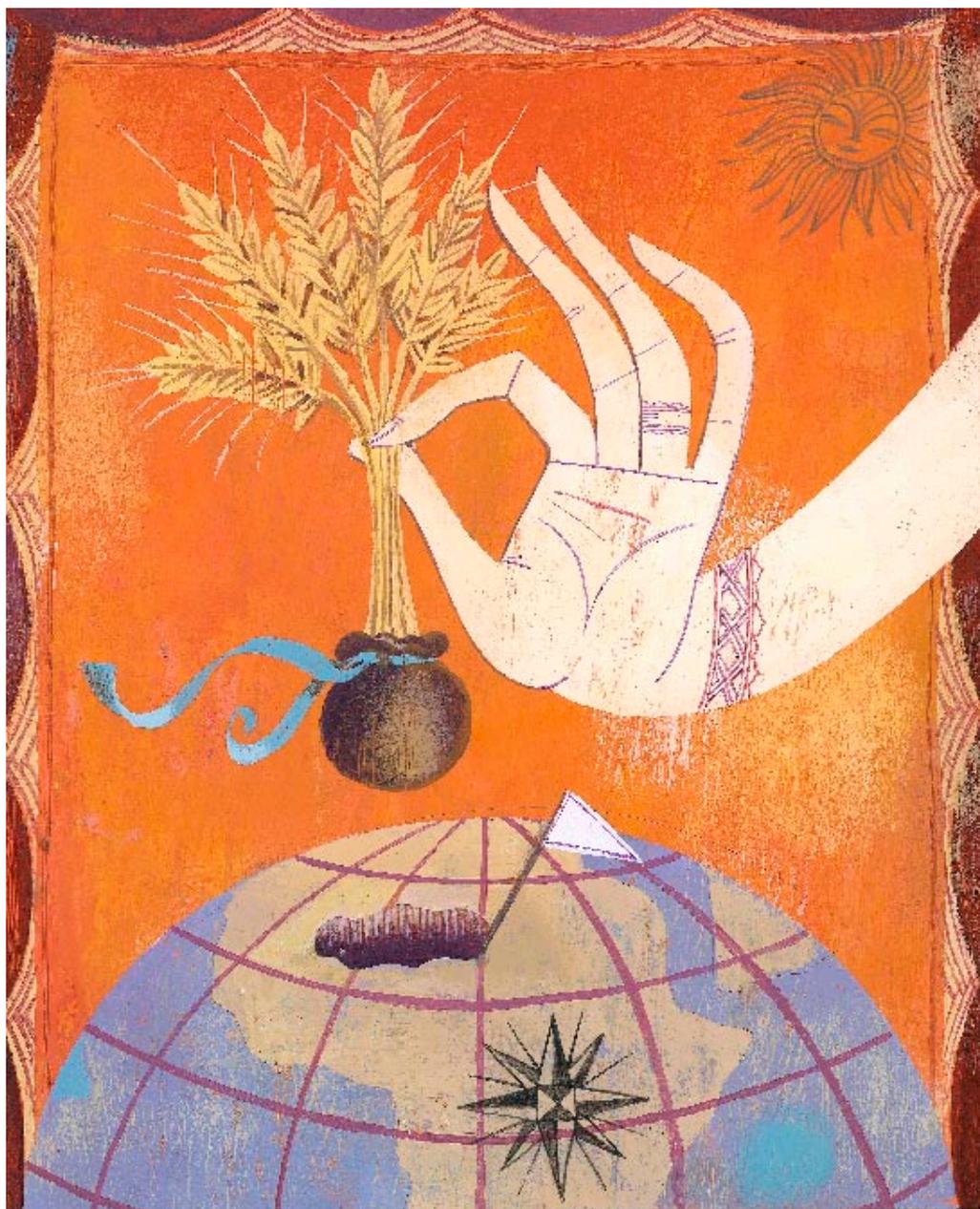


Illustration by *Olaf Hajek*

at a DISTANCE

to keep tabs on your gifts. *BY TRACIE McMILLAN*

vant trade associations and oversight bodies. (For more on this, see “Checking Out Charities,” page 179). For donors who want to give internationally, there are a range of options that allow them to keep a hands-on feel. *Town & Country* recently spoke with five benefactors who have given abroad in different ways.

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ORGANIZATION: **Kiva** (kiva.org)
METHOD OF GIVING: Online
DONATIONS ACCEPTED: **\$25 and up**
REPRESENTATIVE DONOR: Mickey Mikeworth

When online microfinance portal Kiva launched, in 2005, Mickey Mikeworth, of Minneapolis, was an early convert. Founder and CEO of Rich Chicks, a financial-education group for women, the world traveler turned educator signed up to lend money to small-scale entrepreneurs abroad. She had one thing in mind: clear, rapid results. “It is the fastest way to get money on the ground—and moving,” says Mikeworth.

The premise is simple. Lenders join up on Kiva’s Web site, where they can select individual entrepreneurs from an online catalogue of project descriptions and photos. Which brings Mikeworth to the site’s biggest selling point: its transparency. With other groups, she notes, “my money just goes there and it’s all over; with Kiva I get an update every time it makes a payment.” Individual loans, which start at \$25, help fund everyone from a grocer in southern Lebanon to a farmer in Tajikistan—and as each small business succeeds, the entrepreneur pays back the loan, with interest. (*Kiva* means “agreement” or “unity” in Swahili.) The organization was inspired by founder Jessica Flannery’s initial trip to East Africa, where she evaluated microloans made to entrepreneurs by another charity, the Village Enterprise Fund. Most Kiva lenders, including Mikeworth, reinvest the principal and the interest in another entrepreneur’s business, restarting the process. “I like it because it makes me feel connected,” she says.

Developed-world donors have found Kiva through word of mouth or press mentions, and small entrepreneurs learn of it via

microfinance banks in their home countries. Kiva works with carefully vetted third-party field agents, who visit the locations and compare what they see with what’s described on Kiva’s Web site. In the rare instance that a field agent discovers fraud, Kiva terminates its relationship with the entrepreneur.

VALUABLE LESSON: When you’re thinking of giving to a charity, be sure to ask the powers that be how its staff measures success and how it deals with fraud. If you can’t get an answer before you write a check, chances are you won’t get one after you do, either.

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ORGANIZATION: **Charities Aid Foundation America** (www.cafamerica.org)
METHOD OF GIVING: Donor-Advised/Donor-Advised Foundations
DONATIONS ACCEPTED: **\$500 and up**
REPRESENTATIVE DONOR: Mimi Cristall

In 2003 Mimi Cristall, an avid animal lover, was visiting a remote camp in Tanzania’s Selous Game Reserve. “Someone said, ‘You have to be introduced to the Arusha Society for the Protection of Animals,’” Cristall recalls. She was, and came away impressed enough to write them a check that day. But when she got home to Seattle she wanted to do more. “I said to my accountant, ‘There has got to be a way!’”

Luckily for Cristall, she found Charities Aid Foundation America (CAFA), which enables donor-advised giving. Rather than require a donor to select from a predetermined list of programs, CAFA will contact the international charity of your choice, make sure it is properly registered in its home country, coordinate the necessary paperwork to donate to the group and deliver your grant to its door. If you prefer, you may instead select from CAFA’s database of 2,000 nonprofits worldwide.

In the past, this kind of specialized giving was available only to high-end donors, but CAFA will do the legwork for donations starting at \$500, charging a percentage fee for the service. And since a donation can be made as a one-time-only gift, it’s a good way to test the waters before committing to larger sums that

you might eventually donate each year, says Denise Simpson, director of donor-advised giving at CAFA. “So long as the organization fits our eligibility criteria, we can then process the grant, and that’s the end of it,” says Simpson, who explains that the donor does not need to retain an ongoing relationship with the charity..”

VALUABLE LESSON: Ask hard questions. If you encounter a worthy organization while traveling abroad, find out if it is registered with the country’s government as a charitable group. If it isn’t, the U.S. government won’t recognize it, and you’ll have to transfer money on your own.

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ORGANIZATION: **Clarence Foundation** (theclarencefoundation.org)
METHOD OF GIVING: International Giving Circle
DONATIONS ACCEPTED: **\$2,500 and up**
REPRESENTATIVE DONOR: Margae Diamond

Getting money to work for good causes isn’t just an interest of Margae Diamond’s, it’s her job. For more than twenty years she’s worked in charitable planning, most recently as vice president of development for Schwab Charitable. “Most of my own giving has been in the U.S.,” says Diamond. “You give to organizations you’ve had an experience with.”

She’s recently discovered giving circles, a method of philanthropy in which donors pool modest grants and carefully select organizations to support with the combined sum. In late 2006 the Clarence Foundation, an Oakland nonprofit that coordinates giving circles, asked Diamond if she’d be interested in a giving circle with a new twist: one that featured visits to Kenya, to the communities assisted.

To participate, Diamond, who resides in Pleasant Hill, California, needed to secure \$3,500 in donations to cover both grants to Kenyan groups and Clarence’s administrative services. She also needed to cover her travel expenses. In return the foundation identified a reliable intermediary—the International Child Resource Institute-Africa (icriafrika.org), of Nairobi, an organization that Clarence had worked with for years—which then found grassroots groups in Kenya. Clarence would also arrange pretrip planning and background research. Diamond signed on, and three months and three conference calls later, she was in Nairobi with seventeen other donors, finishing up ten days interviewing six different groups and discussing with her colleagues how to disburse their pooled funds.

“We know about Amnesty International and groups that have already proved themselves, but [the groups we gave to] are not visible to the giving community,” says Diamond. “All of us felt really proud of the fact that we could give to organi-

zations that don’t show up on the radar for most people.”

VALUABLE LESSON: Research possible intermediaries through **Grassroots International** (grassrootsinternational.org) and **Grant-makers Without Borders** (gwob.net).

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ORGANIZATION: **Silicon Valley Community Foundation** (siliconvalleycf.org)
METHOD OF GIVING: Community Foundation
DONATIONS ACCEPTED: **\$10,000 and up**
REPRESENTATIVE DONOR: Simone Coxe

For years, Simone Coxe, of Palo Alto, California, spent her philanthropic dollars the way most Americans do: checks to her alma mater, local community groups and friends’ projects. Then she spent a year in a philanthropy workshop run by the William and Flora Hewlett and TOSA foundations, and got a quick lesson in the benefits of giving abroad. “Your dollar goes much further,” says the former public-relations manager. “There’s a huge opportunity to make a big difference.”

When Coxe and her husband, a venture capitalist, decided to begin giving on a larger scale, they first considered starting their own foundation. Ultimately, they chose to establish a fund under the umbrella of their local community foundation. Traditionally associated with neighborhood good works, community foundations are increasingly offering international services, with roughly fifty around the country doing so today.

The benefits were clear. The couple would be able to donate stock instead of cash. They could send money abroad without having to become experts on international finance. And if their needs outpaced what Silicon Valley Community Foundation could provide, staff would identify other groups with whom they could work. In effect, they’d have most of the benefits of a personal foundation and fewer of the administrative hassles.

“The foundation has been incredibly helpful,” says Coxe. When she wanted to help support civil projects in Pakistan—a proposition complicated by American antiterrorism regulations—she reached out to Give2Asia (give2asia.org), an established intermediary group that has been working in the region for years.

“It’s not like giving to your own community, where you can see the benefits right away,” says Coxe. But it does give her perspective. In 2002 she helped organize educational events in her community about the situation in Pakistan. “There’s a lot of personal satisfaction in following the news with a more in-depth knowledge,” she says.

VALUABLE LESSON: If your local community foundation doesn’t offer international services, get oriented on the finer points of working with intermediaries at **GrantCraft** (grantcraft.org), which provides case studies, guides and helpful videos.

Checking Out Charities

Some solid online research can give you a base of information with which to plan your giving. To check an American organization, order a free copy of the **Better Business Bureau's Wise Giving Guide** (us.bbb.org). **Charity Navigator** (charitynavigator.org) will tell you which American charities have run afoul of industry standards; for a more international view, the **Council on Foundations** (cof.org/members) and **InterAction** (interaction.org) are good bets. Think about how involved you want to be. How much research can you do: a few minutes, hours or days? Look at groups' annual reports and 990 tax forms, available from **GuideStar** (guidestar.org); ask about anything that looks unreasonable. And ask for proof of the organizations' work, like stated goals and measured progress toward them. These will show you the charities' priorities, so you can decide whether you agree with them and precisely what your dollars are supposed to achieve. Also, make sure that you agree with how they measure success. At **Heifer International** (heifer.org), the group known for donating livestock to indigent communities, success is measured by whether recipients' incomes increase, not just whether they got the livestock. And at **Rotary International** (rotary.org), which is overseeing \$100 million a year in grants abroad, staffers regularly dispatch auditors to gauge the efficacy of their member-run projects. If they find a project is failing—or, worse, being cheated—they'll suspend funding until the problems are fixed or cancel support.

ORGANIZATION: **Arabella Philanthropic Investment Advisors** (arabellaadvisors.com)
METHOD OF GIVING: Philanthropic Advisement
DONATIONS ACCEPTED: **\$100,000 and up**
REPRESENTATIVE DONOR: Christel DeHaan

Christel DeHaan, of Indianapolis, wouldn't be the first person you'd think of if you imagined someone who needed advice on helping others. The former owner of Resort Condominiums International (RCI), one of the nation's first time-share-exchange networks, DeHaan charted a course for international giving early on in her career, putting a portion of RCI's profits as well as her own funds to work in the charitable sector.

But when DeHaan sold her company, in 1996, she was left with memories of more than just the luxurious time-shares that had built the \$825 million fortune she came away with. During her travels, she was frequently struck by the high incidence of poverty around the world, often existing right next to posh resorts. "Seeing how destitute some people are made me realize that giving really is a responsibility of every—every—member of society," says DeHaan. "I knew I wanted to do more than just write checks."

So she founded Christel House, a series of international academies geared toward helping the world's neediest young people gain an education and getting them on a path out of poverty. But as DeHaan's work progressed, she felt her efforts were stalling. So she called Arabella Philanthropic Investment Advisors, a Washington, D.C.-based firm, to bounce around ideas about better ways to measure the project's success.

Much as brokerage houses vet the investments of their clients, advisement firms gauge the legitimacy, efficiency and impact of philanthropic groups abroad. They can also help donors decide how and when to give, determine personal donating styles and build connections with other people in the world of philanthropy. Many of today's firms combine a strong focus on accountability and effectiveness, and several, including boutique firms such as Arabella and heavy hitters like Rockefeller Philanthropy Advisors, bring an expertise in international work, as well.

The result, says DeHaan, is a wide range of services suitable for veterans and newcomers alike to make significant gifts. "At a certain stage, it's always better to seek the advice of professionals," says DeHaan.

VALUABLE LESSON: Be picky. Consultants should work with you, not shunt you through a one-size-fits-all program. So make sure you find one who understands your needs and can adapt accordingly. Also, take the long view. Chances are, many of your family members will use your adviser's services, so find one with whom everyone is comfortable. ❖