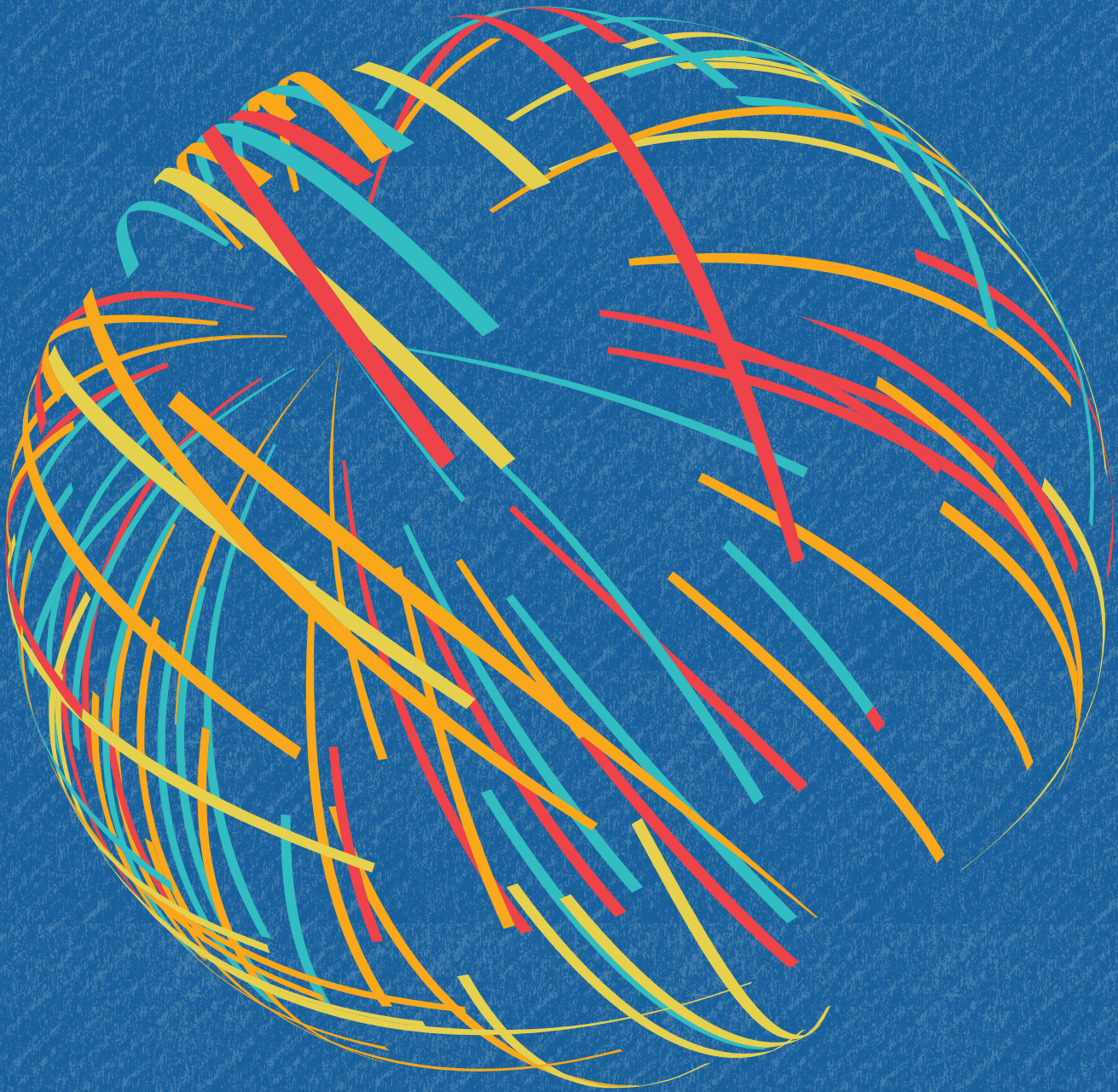


INTERNATIONAL GIVING BY U.S. COMMUNITY FOUNDATIONS

Local Communities with Global Reach Discussion Guide



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Discussion Guide

This report raises important questions for community foundations, whether you already facilitate grantmaking to international causes and organizations, or are considering offering this as a new service for your community. This discussion guide is designed to help community foundation leaders facilitate conversations with their staff, board, and supporters about the realities of offering international grantmaking within your foundation.

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INTRODUCTION

The discussion guide is designed to assess your current strategy on how U.S. community foundations are increasingly undertaking global grantmaking and whether this trend, often linked to growing interest from community members and changing community demographics, might impact your community foundation.

INTRODUCTORY CONSIDERATIONS

This research shows that global grantmaking is an increasingly common practice, especially for large U.S. community foundations. The Council has also seen a growing number of requests for support from small and medium sized community foundations undertaking international grantmaking.

For some community foundations, engaging across borders into Mexico or Canada is a long-established tradition and highlights how a community can co-exist within two countries, divided only by political boundaries. For years there has been a network of U.S. and Mexican communities working together along the Southern border and developing cross-border programs, ranging from exchanges to grantmaking, to build linkages and strengthen relationships.

For community foundations already offering international giving, the motivation to provide this service often fall into two main buckets: demand from local donor or corporate advised funds, or a strategic decision to provide community leadership on global issues, in order to reflect the evolving demographics and international nature of their community.

In light of increased activity among U.S. community foundations giving globally—driven by donor intent, evolving community demographics representing a wider array of migration, immigration, and diaspora populations, and local business interests that are more inherently global—how has, or will, this change affect your community foundation and what are the implications, if any?

GUIDING QUESTIONS

The increase in activity of international grantmaking by U.S. community foundations represents changing demand from American communities, as well as shifting demographics, interests, and assets. The five case studies presented in this paper demonstrate how some community foundations have approached global engagement as place-based funders, via grantmaking or otherwise, and make clear that there is no singular approach or set of motivations. However, there are clear questions being raised about whether community foundations should support international giving, including:

How does this impact our thinking of what it means to be a local, place-based institution?

Is the administering of assets locally and abroad aligned with our mission and core values as a community foundation?

If we live in an increasingly global society, interconnected by social media, business interests, workforces, and movement of people from place to place, how do we more precisely define ‘community’? If the definition of community is broadening, and in some cases, becoming more nuanced to mean different things to different groups, community foundations will be pressed to ask themselves: Is community solely defined by a geographic boundary?

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GUIDING QUESTIONS Continued

If there are donor interests to utilize a U.S. community foundation to administer its fund and undertake international giving, as well as serve diverse groups on various issues around the world, will this cause community foundations to reexamine the role international grantmaking—not just local grants—plays in the business model going forward? What are the opportunities it presents for community foundations in assets under management, increased donor engagement, and increased awareness of the broader philanthropic sector?

Is international grantmaking allowed in the community foundation bylaws?

With so much emphasis placed on local, what do community foundation bylaws say about grants beyond their geographically defined border or to non-501c3 organizations? The U.S. government does not in any way restrict community foundations from supporting international programs, but individual by-laws may limit grantmaking to organizations that have an IRS-certified 501c3 status. Understanding your bylaws, and working to revise them with your board if needed, is critical before deciding to facilitate grants directly to non-U.S. recipients in other countries around the world.

Are there concerns about local perception if a community foundation starts engaging globally?

Awareness and trust are drivers of giving for community foundations, but often so is the notion of local ties and a locally-rooted mission. So why would a community foundations want to start funding internationally? For your community, a more global mindset may allow you to engage new donors and partners locally, build relationships with origin communities that have large immigrant populations in your city or state, and/or offer services that are in high-demand from increasingly global-minded community members. As demographics in the United States continue to evolve, global engagement will likely become even more important in all corners of the country.

How might global giving be an opportunity for local leadership?

Within your community, global influences are likely visible in many ways – from thriving immigrant populations to arts, culture, and food from around the world. Global engagement, including welcoming new immigrants or international businesses, can revitalize neighborhoods and generate new resources for the entire community. Even without providing global grantmaking as a service, how might your foundation encourage others in your community to engage globally? Are there exchange opportunities for lessons learned? Could sister city relationships lead to partnerships with peer community foundations in other parts of the world?

What resources and capacity are needed for community foundations to effectively engage globally?

While a community foundation may determine that it is a good business decision to engage globally, the practice is relatively new for many. Thus, the extent of capacity, capital, and resources needed to succeed are still widely unknown. What departments or roles within the community foundation are most likely to experience the brunt of these changes? How do community foundations adapt their messaging, internal processes, and tools to support this increase in international giving? What investments will likely need to be made to alter or prepare our business practices? Utilizing existing resources from organizations like the Council; discussing with peers already undertaking international grantmaking; or collaborating with other international grantmakers such as private or corporate foundations in your community; may help you and your staff better understand what is required to initiate global grantmaking directly or via international U.S.-non-profits.

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GUIDING QUESTIONS Continued

When should the community foundation rely on intermediaries to facilitate global giving and when should it implement global grants directly?

Determining the level of capacity and resources one has might initially answer this question, but what role does a more direct giving relationship with an international community present to your foundation in terms of the experience for community leadership or donor engagement? What local reasons might necessitate a more personal relationship with an international community benefiting from your grantmaking, and how could site visits, exchanges or delegations, and other activities benefit the community foundation and its local residents?

There are also a number of potential intermediaries to support your international activities, whether those include local non-profits working internationally, community foundations in the countries that have a connection to your community or align with your donor interests, or the growing network of service providers who can help with back-end processes related to direct giving to non-U.S. organizations.

What is the profile of a donor who will be interested in international giving?

Do we currently serve them or how can this work be a strategy for growth?

GivingUSA reported international giving as the area of biggest growth among individual giving in 2016, gaining ground on long-standing areas of faith and education giving. Whether it is millennials or a corporate donor that has business interests abroad, the need for philanthropic advice on how to give globally is likely only to increase. Does this represent an opportunity to expand reach into new constituent bases previously not served by the community foundation? What services will be most needed?

CONCLUDING QUESTION

How much, if at all, does your community foundation need to adapt in the face of increased international giving among U.S. community foundations?