

Making U.S. tax-deductible donations to your chaplaincy (via the Charities Aid Foundation and the Diocese in Europe)

Firstly, THANK YOU for your interest in making a donation to the work of one of our wonderful chaplaincies in the Diocese in Europe. Your generosity will ensure that our invaluable mission and ministry will continue to flourish and make a difference to the lives of worshippers, visitors and the wider communities we serve.

This document contains the following information:

1. An introduction to giving via the Charities Aid Foundation & the Diocese in Europe
2. A step-by-step guide to making a donation
3. Frequently asked questions

If you require any assistance or would like further information, please do not hesitate to contact Juliet Evans, the Diocesan Fundraising Adviser, via email: juliet.evans@churchofengland.org or WhatsApp/mobile: +44 7384 836200.

1. An introduction to giving via the Charities Aid Foundation & the Diocese in Europe

U.S. tax deduction eligibility varies significantly for international gifts. U.S. donors who give straight to foreign charities usually can't claim tax deductions, as the IRS only allows deductions for gifts to registered U.S. charities. One option for donors is to use an intermediary 'sponsoring' organisation, which specializes in granting to foreign charities based on donor recommendations, to maintain their tax benefits. Charities Aid Foundation ("CAF") America is fully compliant with U.S. law and qualifies as a sponsoring organisation for foreign non-profit making organisations under Internal Revenue Code Section 501 (c) (3). Therefore it can issue the donor with a receipt for US tax purposes which should be submitted to the IRS with the tax return.

More information can be found here: [Foreign Nonprofits - CAF America](#).

The Charities Aid Foundation is a group of charitable organisations in the UK and North America operating globally – the [Charities Aid Foundation in the UK](#), [Charities Aid Foundation America](#), and [Charities Aid Foundation Canada](#). These organisations work with corporate and individual donors and ensure that a regulatory-compliant grant-making process is in place with due diligence and vetting protocols.

In most cases*, it is much easier and much cheaper for the donor to make a donation directly to the Diocese in Europe (restricted to a chaplaincy) rather than to the chaplaincy. This is because the Diocese in Europe (the "Diocese in Europe Board of Finance") already counts as an 'eligible' organisation with CAF America as it is a registered UK charity recognised by CAF UK. Therefore, the key due diligence and vetting protocols have already been completed. Routing donations via the Diocese results in a *significant* reduction in costs and paperwork for both the diocese and also the individual chaplaincies, whilst maintaining the tax benefit for U.S. donors.

(*Note: If your chaplaincy has a legal and established Friends Organisation in the USA or in England it is possible to make a *direct* donation, but please contact Juliet Evans before you take any action – or you could incur extra costs.)

2. A step-by-step guide to making a donation

Overview of the donation process

As a starting point, the Diocese in Europe will be using the single gift '[Donor Advised Gift](#)' route within CAF America to process donations. It is a useful vehicle for larger gifts, rather than smaller regular giving, due to minimum fees (see below). We will continue to monitor demand for smaller regular giving and may advise of an alternative route through CAF America in future. If you have any queries about this, please [contact Juliet Evans](#).

- Donors can donate online or via cheque or via wire transfer or an investment.
- If you intend to donate more than \$15,000, please see our Frequently Asked Questions.
- Donations are processed on a weekly basis, but it takes 2-3 weeks to arrive in the Diocese in Europe bank account.

Donor donates to CAF America	➡	CAF America processes donation and disperses to CAF UK	➡	CAF UK sends donation to Diocese in Europe's bank account	➡	Diocese in Europe sends donation to chaplaincy or holds money in UK account (restricted to chaplaincy)
	⬅	CAF America sends donor tax receipt				No reporting is required back to CAF America on the use of donations.

Donor donates:

- **Online:** Complete the form on the CAF America website [via this link](#). The organisation name should be 'Diocese in Europe Board of Finance UKCC=250186' and the address is '14 Tufton Street, London SW1P 3QZ, United Kingdom'. Write the name of the chaplaincy in the Grant Purpose box.
- **Via cheque:** Complete the offline form (see attached) and post to CAF America with the cheque attached.
- **Via wire transfer/any other method:** It is important to complete the offline grant form (see attached), BEFORE transferring any money. Email the form directly to info@cafamerica.org (or Juliet can give you the direct email of the Donor Engagement Officer there). CAF America will acknowledge receipt of form and will liaise with the donor if there are any questions, and then arrange the timing/details of the wire transfer etc with the donor.
- **Via a donor advised fund affiliated with CAF America eg Vanguard Charitable:** There is a *different* process for these donations. Please contact Juliet for more information.

CAF America:

- **Processes donation:** Deducts transaction fee (see below).
- **Disperses donation:** With chaplaincy restriction to the Diocese in Europe's CAF UK account.
- **Emails donor with tax certificate.**

CAF UK:

- **Forwards donation:** Into Diocese in Europe's bank account as each donation is received. No further fees from CAF UK.

Diocese in Europe:

- Forwards donations to the chaplaincies – or holds as restricted funds in the UK.

Fee structure

For each gift (up to \$100,000) there is an **8% transaction fee** – with a minimum fee of \$80. So, for example, if a donor gives \$900 the minimum fee of \$80 would apply (rather than \$72 which is 8% of \$900) and the

chaplaincy would therefore receive \$820. We therefore advise using CAF America for larger gifts at this time. You may also wish to factor the fee into the level of your donation.

If you wish to give over \$15,000 please read the section on 'Know Your Customer' in the Frequently Asked Questions below.

3. Frequently Asked Questions

Where can I see proof of CAF America's Public Tax Exemption Determination Letter, proving its IRC 501 (c) (3) status?

Key documents can be found on the CAF America's website here: [CAF America's Public Finances - CAF America](#)

What do I need to be aware of if I want to give large amounts eg \$15,000 in one amount or during the course of the year?

As part of its due diligence and vetting protocols, CAF America has a 'Know Your Customer (KYC)' process. This means if it receives a single donation of \$15,000+ OR gifts totalling an aggregate of \$15,000 (or more) in any three-month period, CAF America will require further information from the donor/foundation such as trustee details, latest accounts, articles of association etc.

If donors are considering making gifts over \$15,000 and are not inclined to go through the Know Your Customer process, they may wish to spread their donations over the year.

Why does it say on the donations forms that my gift is the property of CAF America?

To be eligible for a tax receipt, the donation must be given to a U.S. entity. But donors can *suggest* that the funds go elsewhere. This is a standard phrase for 'sponsoring' organisations – that is why it is imperative to use a trusted entity, such as the Charities Aid Foundation, to process donations to foreign non-profits.

Can I remain anonymous to my chaplaincy when I make a donation?

Yes, you can remain anonymous if you wish.

When and how will I get my tax certificate?

You will be emailed your certificate within two weeks – and it will also be posted to you.

I have lots of questions. Who can I talk to?

Please contact Juliet Evans, Fundraising Adviser, at the Diocese in Europe via juliet.evans@churchofengland.org in the first instance.