Sowing the Seeds of Organizational Growth:
A Guide to Opening a “Friends of” Fund
at the International Community Foundation
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About the Cover: Community Garden, Colonia Luis Donaldo Colosio, Tecate, BC, Mexico.
Established by Fundacion La Puerta.

If you are interested in speaking with a Foundation staff person about opening a “Friends of” Fund, please do not hesitate to contact us. We look forward to working with you!

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Our Mission

The International Community Foundation seeks to inspire international charitable giving by U.S. donors, with an emphasis on Mexico and Latin America.
Who we are:

Established in 1990, the International Community Foundation (ICF) has a proven track record in strategic international grantmaking, assisting a wide range of donors (individual, corporate, foundations) to address real-world problems in Mexico and Latin America.

To further our mission, ICF spearheads coalitions for a variety of vital causes in Mexico and Latin America, representing over 1,000 donors with diverse international interests.

We work as a strategic advisor and partner to donors, helping identify where donations have the greatest impact and guiding donors through each complex step involved in international philanthropy. We make the process simple for donors ensuring that grants are distributed effectively and have maximum impact through due diligence, all the while maintaining strict compliance with all U.S. laws and regulations governing international charitable giving.

Core organizational values:

- **Commitment** – to honor our donors and their vision to create sustainable communities throughout Mexico and Latin America. We respond effectively to the challenges and opportunities present in the region today and in the future.

- **Expertise and Knowledge** – to make good decisions based on our technical, programmatic and local expertise that will give our investments the best chance of success. We will share this knowledge widely, encouraging participation and new ideas from donors, grantees and other partners.

- **Integrity** – to uphold the highest possible standards in international grantmaking. We honor donor intent and privacy commitments. We integrate a high level of ethics, integrity and transparency in all of our work.

- **Stewardship** – to create lasting improvements in education, health and the environment in Mexico and Latin America that result in stronger civil society organizations, better managed marine and terrestrial ecosystems, healthier communities and effective education systems. We safeguard donor intent and the resources entrusted to us.

- **Collaboration** – to transform passion into results through strategic partnerships, teamwork and pooling of resources.
As an internationally-oriented community foundation, we are often asked what separates us from other international charities. The answer is simple: aside from providing U.S. tax-deductibility for donors, providing them with an important conduit to give to non-U.S. charities as well as providing them with valuable community knowledge and an on-the-ground perspective on the impact that nonprofits are having in the regions that we serve.

We take great pride in knowing our “Friends of” Fund charities personally and witnessing first-hand the ardent dedication with which they commit themselves to their causes. Join the more than 60 Mexican and Latin American charities that call ICF “home,” and see how charities like yours are leveraging their partnership with ICF in reaching their long-term and near-term goals.

Following are a few of their stories...
Arts & Culture
To ensure that the cultural heritage of Tecate, BCS, Mexico, is not lost indefinitely, CAREM (Corredor Histórico CAREM A.C) is working for the preservation and revitalization of the historical heritage found along the ancient mission trails of Baja California. Through their partnership with ICF, they have succeeded in expanding their preservation programs to include all historic sites of the state.

Education
Liga MAC (Mexican, American and Canadian) is one organization that year-after-year is successful in raising thousands of dollars benefiting community service programs in San Jose Del Cabo, Mexico, through their annual fundraising gala. ICF serves as a co-sponsor of this event allowing their U.S. donors to benefit from a tax deduction in the States. Part of ICF’s commitment to our “Friends of” Fund charities is to provide fiscal sponsorship at premier fundraising events.

Health
The Friends of Centro Mujeres Fund at ICF supports the empowerment and well-being of women, adolescents and people in vulnerable situations. Their work is focused in and around La Paz, BCS, Mexico. As a result of their partnership with ICF, Centro Mujeres, A.C., has positively increased their public profile in the U.S. by collaborating with our Foundation to reach thousands of our supporters and donors through popular social media tools, email, publications and reports.

Environment
To support the conservation and protection of the Osa Peninsula’s wild cats in Costa Rica, the Yaguara Fund at ICF is working hard to preserve and enhance their habitats so as to ensure that healthy populations continue to thrive. A partnership with ICF is critical to the sustainability of Yaguara’s efforts to defend these mammals since the bulk of their donors are reached through tours and speaking engagements at area hotels. Donors are compassionate about Yaguara’s efforts and their generous donations are facilitated by ICF’s secure online donation system as well as by knowing that their gifts are U.S. tax-deductible.

Productive Employment
The Fundacion Comunitaria Oaxaca (FCO) has improved the quality of life for the many migrant communities in Oaxaca, Mexico, by increasing their earning potential through productive employment opportunities in collaboration with ICF. The “Bii Dau” and “Vida Nueva” weaving cooperatives in the community of Teotitlan del Valle are prime examples of how entire communities can persevere through community mobilization and international charitable support.
Centro Mujeres Staff at their office in La Paz, BCS, Mexico.

Emily Arnold, ICF consultant, and Aida Bustamante, Executive Director of Yaguara in the Osa Peninsula, Costa Rica

The weavings of Teotitlán del Valle on display at the Museum of Ventura County. The weaving cooperative of Teotitlán del Valle was, in part, supported through funding raised through the Friends of Oaxaca Fund at ICF benefiting the programmatic work of the Fundación Comuntaria de Oaxaca.

Stories of SUCCESS
ICF “Friends of” Funds

Norma Maza of Baja California’s Nat Kumeyaay community. Photo: Michael Wilken-Robertson, Corredor Histórico CAREM, A.C.

Left: Liga MAC Annual JazzFest Gala. Photo: Sabrina Lear.
Why open a “Friends of” Fund?

1. **Tax deductibility for U.S. donors.**
   Because ICF is a registered nonprofit in the United States, American donors can give to your non-U.S. nonprofit organization while still receiving U.S. tax-deductibility.

2. **Eliminates the need for your nonprofit organization to establish itself as a 501(c)3 nonprofit in the United States.**
   For non-U.S. nonprofit groups that only have nonprofit status in their own country, this is an invaluable service. ICF is also registered and in compliance with the regulations governing fundraising in all fifty U.S. states.

3. **Access to new donors.**
   For an organization with its own 501(c)3 designation, the benefits of opening a fund with ICF derive from the access to our well-established network of donors. ICF has a database of over 4,000 committed people in the United States, Canada and Mexico who receive quarterly newsletters and e-mail blasts announcing events and special campaigns. Not only does ICF reach individual contributors in this way, but we also reach corporations, community foundations and family foundations.

4. **Additional Tools and Support from ICF.**
   In addition to donor access and marketing, we also offer legal, programmatic, and financial support. We can accept planned gifts, gifts of stock, and online donations from U.S. donors.

5. **Provides the transparency that your donors seek and that U.S. tax laws require.**
   ICF serves as your conduit for independent oversight and control in your international grantmaking.
   - The U.S. IRS has ruled that gifts to an organization which serves as a mere conduit, funneling earmarked donations to non-U.S. charities without any independent oversight, are not eligible for the charitable deduction. For this reason, a “Friends of” Fund is not a charitable checking account. Due diligence is required by Foundation staff prior to issuing a grant and follow up reporting is required by your organization.

Above: Eco-tourists petting a baby whale in Laguna San Ignacio, BCS, Mexico. Laguna San Ignacio is a priority conservation area for Maijanui, A.C. which maintains a friends of fund at ICF. Photo: Edgardo Modezuma.
Support tools provided by the International Community Foundation:

- **Legal** – ICF helps ensure that your organization complies with U.S. Federal and State laws and regulations related to charitable giving, fundraising and international grantmaking.

- **Programmatic** – ICF can organize donor site visits to your nonprofit and also identify potential volunteers to support specific projects that your organization might have. Such activities help promote your organization and increase its visibility in the United States. We also have technical experts available as consultants and volunteers that can answer questions and assist your organization as needed.

- **Financial** – Opening a “Friends of” Fund with ICF provides accountability and transparency. We provide transparency to your donors by keeping track of grants made to your organization and by receiving reports and receipts from you. With our financial tracking system, DonorCentral, you will have access to your donor and financial information electronically on a real-time basis.

- **Media outreach** – ICF can work with your organization to increase your visibility in the United States by highlighting your programs and other newsworthy events to U.S. media outlets.

- **Convenience** – ICF acknowledges all gifts to your “Friends of” Fund in a timely manner; online gifts are acknowledged immediately. Our webmaster can help customize your online donation page and our staff can help build campaign and event pages as needed.

Above left: Project Bus emerged as a result of the initiative of two San Diego-area high school students, Akash Patel and Ian Torbett, in partnership with Maijanui, A.C, a community based nonprofit working to promote a better quality of life for the people living in Laguna San Ignacio. Akash and Ian learned about the need of a library for the children of San Ignacio Lagoon. The proposed solution by Akash and Ian was the idea of Project Bus with a focus on conversion of the abandoned school bus into a library for school children and the community of San Ignacio Lagoon, BCS, Mexico. Above right: Peter Buck of REM visits the Palapa Society in Todos Santos, BCS, Mexico.
U.S. donors can make tax-deductible contributions to a Mexican or Latin American charity through an online donation, check (US Dollar), wire transfer, stock or mutual fund gift, or a gift of real property.

Via ICF, your charity can legally use your “Friends of” Fund to solicit support from U.S. donors in all 50 states.

U.S. donors can make a lasting legacy gift by having a “Friends of” Fund named as a charitable beneficiary of your U.S. donor’s bequest and last will and testament. ICF also works with U.S. donors to make other planned gifts to benefit Mexican and Latin American NGO’s through bequests, Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT) as well as through the donation of real estate.

Latin American nonprofits are offered a cost-effective way to receive U.S. donations without having to establish a U.S.-based 501(c)3 nonprofit organization. In addition, your nonprofit receives back-office administrative support directly from ICF.

Your nonprofit receives a customized website page on www.icfdn.org to promote online donations and other charitable gifts.

ICF offers the ability to establish sub-funds at no additional charge permitting your NGO to raise monies online for not only general operating support but also for special projects, events or scholarship funds.

ICF offers event co-sponsorship/fiscal sponsorship on a case-by-case basis.

Your nonprofit can enjoy special use of ICF’s historic Noyes House for fundraising events or board retreats, upon request, at special, discounted rates.

The types of donations that can be made to your “Friends of” Fund:

- Checks
- Stock & Mutual Fund Donations
- Wire Transfers
- Planned Gifts
- Online Giving
- Real Estate
Opening a “Friends of” Fund

Steps to opening a “Friends of” Fund

1. **Contact** the International Community Foundation either in person, by telephone or email to discuss your fund.

2. **Submit** all required background information about your organization:
   - List of Board of Directors
   - Audited Financials
   - Acta Constitutiva for Mexican charities, or the equivalent for charities in Latin America
   
   *Priority will be given to public charities that are registered “Donatarias Autorizadas” in Mexico and comply with CEMEFI’s “Institucionalidad y Transparencia” compliance program.*

3. **Decide** the name of your fund and its purpose.

4. **Select** two fund advisors (typically a board member and the executive director).

5. **ICF** will send you the legal fund agreement, which you return signed and accompanied by a check for $5,000 U.S.D.

6. **The fund** then requires approval by ICF’s Board of Governors.

7. **Once approved,** the fund is opened and is ready to begin receiving donations.

8. **Your charitable organization** then works with ICF to create your online donation page.
Fee Schedule

- **Annual “Friends of” Fund Affiliation Fee:** $350.00

- **Minimum Fund Balance Requirement for Grant Dispersal:** While there is no minimum fund balance requirement, a grant from a “Friends of” Fund can only be made once the fund has reached a minimum of $5,000 USD.

- **Minimum Fund Balance:** While there is no minimum fund balance, funds with a $0 balance for more than 180 days or funds unable to pay the annual affiliation fee will be closed.

- **Gift Fees:** Fees will be assessed upon receipt on new gifts, based on the established fee schedule.
  - Up to $100,000: 6%
  - Next $400,000: 5%
  - Next $500,000: 4%
  - $1 million or over: 3%

- **Charitable Expense Fee:** 2%

- **Credit Card Processing Fee:** 4.5% (Covers direct cost for credit card processing)

- Non-U.S. nonprofit organizations maintaining a “Friends of”/Agency Fund must remain in good legal standing and maintain their nonprofit status in their country of origin.

- Special Events: For NGO’s organizing special events requiring fiscal sponsorship, ICF will be reimbursed for direct staff time (before, during and after the event) as well as for travel costs associated with event co-sponsorship.
Magdalena Baykeeper, Puerto San Carlos, BCS, Mexico.

Cabo Pulmo National Park, a priority for Amigos para la Conservación de Cabo Pulmo.

www.icfdn.org