

## International Grantmaking at RSF

### Process

RSF follows Expenditure Responsibility (ER) in accordance with Section 4945(h) of the Internal Revenue Code for all international grants. When making grants from a fund at RSF to international organizations that have not received a ruling on their public charity status from the IRS nor been determined to be the equivalent of a U.S. public charity, RSF conducts ER to ensure the grant is not considered a “taxable expenditure”.

Section 4945 of the Code states that, in exercising ER, a grantor “is responsible to exert all reasonable efforts to establish adequate procedures to see that the grant is spent solely for the purpose in which it was made, to obtain full and complete reports from the grantee on how the funds were spent, and to make full and detailed reports [to the IRS].”

After receiving a grant recommendation for a foreign organization, RSF exercises ER by completing the following steps:

- 1) Contact recommended grant recipient to collect required documentation. \*
- 2) Submit required documentation and move grant through internal review and approval process.
- 3) Collect a signed international grant agreement\*
- 4) Send grant via wire payment.
- 5) Follow up for grant reporting, due one year from grant date until funds have been completely expended.

\*If requested, RSF is happy to share more detail on the specific documentation collected at the pre-grant inquiry stage and the international grant agreement template.

### Timeline

The time required for RSF to process an international grant ranges from one to three months. From receiving an initial recommendation, conducting due diligence and collecting documentation, and transmitting payment, RSF strives to move the funding to where it’s needed in the most timely and efficient manner. The average length of time to process an international grant, from receipt of recommendation to final payment is about one and a half months or 45 days.

### Grant Minimum and Fees

The minimum international grant amount: \$5,000.

Due to additional due diligence and follow-up requirements, all grants made to international charitable organizations are subject to the following fee schedule:

- \$750 for international grantees new to RSF.
- \$500 per grant for repeat grantees if any of the following conditions apply:
  - The last round of due diligence was over one year ago, or
  - There have been changes to the organization’s structure or leadership since the last round of due diligence.
- \$350 per grant for repeat grantee within a year of the most recent grant and no additional due diligence is required.

For further information or if you are interested in recommending an international grant, contact Ellie Lanphier, Program Manager, Philanthropic Services at [ellie.lanphier@rsfsocialfinance.org](mailto:ellie.lanphier@rsfsocialfinance.org) or 415.561.6164.