

PARISH MANAGEMENT BULLETIN
Archdiocese of Denver

Office of Parish Finance

04/28/14

CONTRIBUTION TO FOREIGN CHARITIES, INDIVIDUALS OR ENTITIES

Charitable contributions to foreign entities or persons have come under scrutiny by the United States Government. As a result, these contributions must be considered in light of guidance and restrictions issued by the President, Executive Order 13224, Congress, USA Patriot Act, and the IRS. Contributions to foreign entities or individuals may result in unexpected consequences for the donor. As a result, when considering sending monies to foreign charities, individuals or entities, parishes are to consider the guidance contained within the Pastoral Handbook for the Archdiocese of Denver. Section 10.1.2.1. states, "Parishes are not to take up collections for, distribute funds to, accept gifts or act as a conduit for funds to any charity or entity outside the United States without first contacting the Office of Parish Finance."

When a parish contacts the Office of Parish Finance, the parish will be asked to perform a reasonable search to determine the foreign organization, entity or individual is not listed as a known terrorist organization. The attached form has been developed to assist parishes with this search.

In completing the attached form parishes are asked to visit the Department of the Treasury, Office of Foreign Assets Control and review the Selected Designated Nationals List (SDN).

<http://sdnsearch.ofac.treas.gov/default.aspx>

Parishes are to search the list for the name of the organization, the nickname if any and the contact individuals to determine the names are not listed. If the parish finds a name, it is restricted from sending any funds to the entity without further consultation with the Office of Parish Finance.

Once the search of the SDN list is complete, the parish is to perform a general search of the names and nicknames of the organizations, entities or persons to see if there is any connection with the organization and terrorism. This search need not be exhaustive. It is understood that parishes and parish staff are not experienced, trained or educated in terrorist organizations or their funding vehicles. The purpose of these procedures is to reach a reasonable assurance that there are no immediate indicators that the organization under consideration is a known terrorist or terrorism funding organization.

Parishes are to provide a copy of the form to the Office of Parish Finance for review and approval to proceed with considering the transfer of funds.

Please note, these requirements do not pertain to donations to charitable organizations that are located within the United States. Therefore, if the parish is considering a donation to a U.S. charity, such as Catholic Relief Services, who will use the money as part of or for their charitable activities in foreign countries, the parish does not need to complete this form. Only when the parish is considering funding a foreign charity, entity or person directly does section 10.1.2.1 become pertinent.

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BACKGROUND INFORMATION AND BEST PRACTICES

In general, charities are expected to use their resources for charitable purposes and purposes that fulfill the mission of the charity. In considering grants the parish should accumulate a clear understanding and commitment for the use of the donation. In addition the Anti-Terrorist Financing Laws makes it a crime to provide material support to terrorists. Therefore, parishes are encouraged to adopt procedures and steps to perform a reasonable search to determine that any grant to a foreign person or entity will be used for charitable purposes and will not be used to support terror. It is recommended that parishes should:

Gather detailed information about the grantee

Require the grantee to specify and commit to the purposes for the use of the grant

Conduct a reasonable search of public information to determine if there is a link between the grantee and terrorism

Examine the SDN list to determine if the grantee or its key personnel are listed

Require that the grantee certify that the donation will be used for charitable purposes and that they do not work with or support terrorist or terrorist organizations.

For further information, review the Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S. Based Charities from which much of this information is drawn. And, a special thanks to Rebecca Welborn for her assistance in the development of this Bulletin

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