

# ***INTERNATIONAL FUNDRAISING***

## ***Business models and challenges for monitoring agencies***



**Burkhard Wilke**

**Executive Director DZI**

Deutsches  
Zentralinstitut  
für soziale  
Fragen/DZI



DZI Spenden-Siegel:  
Geprüft+Empfohlen

---

20th May 2011 GLOBAL CHARITY TRENDS – ZEWO/ICFO Event,  
Zurich/Switzerland

# International Fundraising ???

Does it really matter?

How does it look like?

How will it develop?



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# Does it really matter?

## Yes and No...

- Big companies and big foundations increasingly have an international perspective
- More and more special consulting services
- INGOs are growing
- The vast majority of charities still restrict their fundraising activities to their national boundaries
- Tax systems still “prefer” national fundraising
- National fundraising markets still show significant differences with respect to “donation culture”



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# How does it look like?

- International NGOs (INGO)
- “LookALikes”
- Direct cross-border fundraising
- Online Platforms



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# How will it develop?

- Slowly – like it did in the past 20 years
- As a completion to national fundraising – not as an alternative
- Online giving will create the main dynamism



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# INGOs

- Headquarter and national affiliates
- Increasing coordination of fundraising methods and cross-border investment in fundraising
- Different degree of cooperation in their program activities
- Coordinated or consolidated financial statements



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# “LookALikes”

- Look like a charity but are not more than a legal body + mailbox + lawyer
- One central body – mostly in the U.S. – has the ownership and receives the donation transfers from its “look-alikes”
- poor transparency and lacking accountability



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# Direct cross-border fundraising

- Bordercrossing fundraising without INGO structure
- “Hein-Persche” case slowly opens tax borders
- Consulting firms provide increasing training



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**



# Online Platforms

- [www.betterplace.org](http://www.betterplace.org) proposes thousands of projects worldwide – with or without public benefit status
- Internet community has no borders
- “direct” access to beneficiaries seems attractive



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# Challenges for monitoring agencies

- Money flow difficult to follow
- Clear responsibilities and accountability?
- Truthful information on international structure?
- Outsourcing of costs and difficulties
- How to monitor online platforms?



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# How does DZI handle INGOs?

- International audit report if  $> 50\%$  of program expenditures on the international level
- Applicable international costs for administration and fundraising included in the national number
- Truthful information on international structure
- International subsidies for fundraising campaigns do not influence DZI cost calculation



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**

# More Information?

[www.dzi.de](http://www.dzi.de)

Thanks!



**INTERNATIONAL FUNDRAISING: Business models and challenges for monitoring agencies**

**Burkhard Wilke, Executive Director DZI**