



2012: A YEAR OF TRANSITION

Dear Friends,

It has been a year since we hit 100% cost recovery. Not only did we maintain this level of self-sustainability in 2012, we also saw growth across the boards. We now have received donations from almost 282,000 unique donors to more than 6,500 projects run by 3,400 plus organizations in 134 countries around the globe. This past year alone brought more than 67,000 new donors who gave \$19.4M—raising our cumulative donation volume to more than \$100 million! This success allowed us to really shift our focus away from money, towards leveraging our network for impact, increasing efficiency and fostering a learning environment.

Our bet on impact is that to maximize effectiveness, we need to cultivate a strong learning orientation. To that end, this year we discussed and developed the metrics necessary for learning. We also began to tackle our goal of scale impact. Our strategy is to become a network for scale—we aim to help our partner organizations grow by utilizing the connections they make and resources they find on GlobalGiving.

We are proud to share some of our latest achievements in this report and we hope we can encourage you to join our efforts in creating a global market of goodness. Together, we can make positive change happen.

Sincerely,



Mari Kuraishi,
Co-Founder and President



SELF-SUSTAINABILITY

100% Maintained

2012 DONATION VOLUME

\$19.4M

2012 ACTIVE PARTNER ORGS

2,348

2012 UNIQUE DONORS

67,446

GLOBALGIVING VISION AND MISSION

GlobalGiving is a charity fundraising website that gives social entrepreneurs and nonprofits from anywhere in the world a chance to raise the money they need to improve their communities. Since 2002, GlobalGiving has raised more than \$104 million from almost 282,000 donors to support more than 6,500 projects.

OUR VISION

Unleashed potential to make positive change happen.

OUR MISSION

To catalyze a global market for ideas, information, and money that democratizes aid and philanthropy.

OUR THEORY OF CHANGE

Organizations around the world are doing innovative social impact work without the benefit of necessary resources; donors around the world seek more impact. Using a technology-enabled platform to efficiently connect them—and others—will foster access, growth, learning, and effectiveness at a global scale.

OUR CORE VALUES

- ♦ **Always Open.** We believe in the power of great ideas and that these ideas can come from anyone, anywhere, at anytime.
- ♦ **Listen, Act, Learn. Repeat.** We continually experiment. We fail quickly and productively. We use data and feedback to guide our course.
- ♦ **Never Settle.** We have an obligation to question the rules, change them for the better, raise the bar, play a different game, and play it better than anyone thinks is possible.
- ♦ **Committed to WOW.** We act promptly, enthusiastically, and professionally so people are WOW-ed by their interactions with us.

OUR HISTORY

In 1997, World Bank executives Mari Kuraishi and Dennis Whittle were asked to develop innovative ways to combat poverty. They created the World Bank's Development Marketplace, a first-of-its-kind event where people from the world competed for World Bank funds. The event's success unveiled the enormous potential of a global marketplace for philanthropy, and participants asked for a real marketplace that was open year round and operated virtually. Mari and Dennis saw the brilliance of this idea, left the World Bank and launched GlobalGiving.

A world map with a light blue background and a white landmass overlay. Numerous red location pins are scattered across the map, indicating specific locations. The pins are most densely clustered in North America (USA and Canada), Europe, and Asia. There are also pins in South America (primarily Brazil and Argentina), Africa (northern and southern regions), and Oceania (Australia and New Zealand). Several countries are labeled in black text: Greenland, Iceland, Finland, Sweden, Norway, Russia, Kazakhstan, Mongolia, South Korea, Japan, India, China, Australia, New Zealand, Argentina, Brazil, Peru, Venezuela, Colombia, Mexico, Canada, and the United States.

- ◆ 4,057 projects received donations
- ◆ 1,677 of these were new in 2012
- ◆ 134 countries received donations

OUR BET ON IMPACT

At GlobalGiving, we are open to working with as many organizations as we can. More than half of the organizations that apply to get on GlobalGiving are organizations based in the developing world, typically without access to the generosity of US philanthropists. Three to four times a year, we invite all of these organizations to submit their documentation, and if they meet all requirements, we grant them a 30-day trial period, known as the Open Challenge. During this period, each organization is challenged to raise \$4,000 from 50 unique donors within a month for their project by reaching out to existing supporters and prospective donors. Each Open Challenge includes training sessions, tips, and support.

We want to bend the arc of change in international development. Our hypothesis is that learning organizations will have higher impact over time in their communities.

WHY TAKE THIS BET?

Studies have shown that “without a strong learning orientation, market oriented behaviors are less likely to foster a rate of performance improvement that exceeds that of competitors.” So how are we going to implement a learning environment here at GlobalGiving? We have decided to define “learning” as translating ideas and information into action. This year we introduced a number of new metrics to help us gather the ideas and information needed to create successful action.

ITEAM

We formed the iTeam this year to create a standardized metric to measure whether our partner organizations are learning. It will be called the Impact Dashboard, and every partner organization on GlobalGiving will have one. It will measure effectiveness based on a combination of metrics related to learning and performance, such as participation, fundraising, performance, responsiveness, and curiosity. Organizations will be benchmarked against themselves which allow them to measure their improvement, while simultaneously encouraging learning and growth. It will also ensure that project ratings are based on more than just fundraising success.

2012 HIGHLIGHTS

Forbes

FORBES ARTICLE ABOUT GLOBALGIVING'S SUCCESS IN JAPAN

In an article called "A Year Later in Japan: GlobalGiving and the Long Road," Forbes discusses GlobalGiving's successful long-term disaster relief. The article commends GlobalGiving's reliable project updates to donors, notes the extensive network of support and asserts "I know Kuraishi and her team build real relationships, study the data, and invest philanthropic resources where they're needed." We're blushing!



GLOBALGIVING NAMED IN WASHINGTON LIFE'S LIST OF PHILANTHROPIC 50

GlobalGiving was honored to be chosen for Washington Life's 2012 List of the Philanthropic 50. The article includes a brief write-up of the organization, its founders, and its mission. Look for us page 50!



GLOBALGIVING INCLUDED ON REAL SIMPLE'S LIST OF TOP TEN CHARITIES

GlobalGiving was also listed as one of Real Simple's Top 10 Charities. The write up describes GlobalGiving as "a carefully vetted online marketplace" and states that the organization's "rapid growth means more people than ever are receiving assistance."

PEOPLE WHO MAKE IT HAPPEN

We would not be here today without dozens of people who believed, guided, and supported our efforts to make positive change happen.

BOARD OF DIRECTORS

Thomas Bird (Chair)
Suhas Apte
Maulik Doshi
Fran Hauser
A.J. Wasserstein
Dennis Whittle
Chris Wolz

NEW YORK LEADERSHIP COUNCIL

Tamara Belinfanti
Fran Hauser
Alice Korngold
Brian Lakamp
Claire Lyons
Hannah Milman
Tricia Napor
Michael Pollack
Jonathan Roberts
Brian Walsh

GLOBALGIVING SUPPORTERS (2002-2012)

AOL
B Lab Boston Foundation
Blank Foundation
Case Foundation
Dillabough Family
Gates Foundation
Hewlett Foundation
Hewlett-Packard Company
Kellogg Foundation
Legatum Capital
Mott Foundation
Omidyar Family
Omidyar Network
Pettus-Crowe Foundation
Packard Foundation
Rockefeller Foundation
Sall Family
Seven Fund
Skoll Foundation
Summit Fund
US Agency for International Development

OUR TEAM

James Beresh // Controller
Ariel Bright // Partner Services Associate
Donna Callejon // Chief Business Officer
Alison Carlman // Unmarketing Manager
Kaylan Christofferson // Business Intelligence Analyst
Kevin Conroy // Director of User Experience and Product Development
Barrett Cope // Operations Analyst
KC Ellis // Champion for Customer Bliss
Ingrid Embree // Director of Strategic Partnerships
Courtney Eskew // Partner Services Associate
Marisa Glassman // Senior Business Partnerships Manager
Nick Hamlin // Operations Associate
John Hecklinger // Chief Program Officer
Nicole Kukowski // Business Partnerships Manager
Mari Kuraishi // Co-Founder and President
Britt Lake // Director of Programs
Adrien Lamoureux // Software Engineer for Good (Contractor)
Sonja Lehner // Program Associate
Marc Maxson // Innovation Consultant
Alexis Nadin // Senior Program Associate
Linda Shaffer Oatley // Senior Manager, Partner Services Team
Steve Rogers // Director of Engineering
Justin Rupp // Senior Systems Ninja
Mariya Rusciano // Transaction Czarina
Katherine Sammons // Program Associate
Jennifer Sigler // Chief Operating Office and Chief Financial Officer
Dennis Whittle // Co-Founder
Scott Williams // Project Manager for Good
Angela Wu // Business Partnerships Associate

CORPORATE PARTNERS SNAPSHOT



GLOBALGIVING ANNUAL REPORT 2012

FINANCIAL HIGHLIGHTS: GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>			<u>2011</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUE				
Grants	\$ 1,201,828	\$ 1,608,877	\$ 2,810,705	\$ 1,008,408
Project contributions	1,969,508	17,131,316	19,100,824	22,819,255
Professional services	1,164,528	-	1,164,528	1,489,781
Interest income	9,829	-	9,829	9,449
Contributed services and materials (Note 5)	164,680	-	164,680	110,238
Other revenue	301,009	-	301,009	36,417
Net assets released from donor restrictions (Note 4)	<u>17,817,581</u>	<u>(17,817,581)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>22,628,963</u>	<u>922,612</u>	<u>23,551,575</u>	<u>25,473,548</u>
EXPENSES				
Project distributions	16,666,413	-	16,666,413	17,137,889
Salaries and benefits	2,945,152	-	2,945,152	2,676,294
Professional fees and services	313,081	-	313,081	453,470
General and administration	212,124	-	212,124	247,346
Legal and registration fees	290,278	-	290,278	362,117
Telephone	29,964	-	29,964	33,511
Travel	150,269	-	150,269	135,422
Rent (Note 7)	193,723	-	193,723	208,758
Office supplies, printing and reproduction	65,282	-	65,282	94,636
Depreciation and amortization	108,070	-	108,070	90,884
Insurance	12,071	-	12,071	8,446
Other	<u>98,860</u>	<u>-</u>	<u>98,860</u>	<u>137,256</u>
Total expenses (Note 11)	<u>21,085,287</u>	<u>-</u>	<u>21,085,287</u>	<u>21,586,029</u>
Change in net assets before other items	<u>1,543,676</u>	<u>922,612</u>	<u>2,466,288</u>	<u>3,887,519</u>
OTHER ITEMS				
Currency exchange rate loss	(349)	(24,665)	(25,014)	-
Income tax expense (Note 6)	<u>(28,847)</u>	<u>-</u>	<u>(28,847)</u>	<u>(36,000)</u>
Total other items	<u>(29,196)</u>	<u>(24,665)</u>	<u>(53,861)</u>	<u>(36,000)</u>
Change in net assets	1,514,480	897,947	2,412,427	3,851,519
Net assets at beginning of year	<u>1,405,520</u>	<u>7,315,275</u>	<u>8,720,795</u>	<u>4,869,276</u>
NET ASSETS AT END OF YEAR	\$ <u>2,920,000</u>	\$ <u>8,213,222</u>	\$ <u>11,133,222</u>	\$ <u>8,720,795</u>

Complete audited financial statements for the GlobalGiving Foundation given upon request.

FINANCIAL HIGHLIGHTS: GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2012

ASSETS			LIABILITIES AND NET ASSETS		
	2012	2011		2012	2011
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 9,674,170	\$ 7,314,171	Accounts payable and accrued expenses	\$ 165,144	\$ 170,641
Accounts receivable	1,195,153	1,976,091	Accrued payroll liabilities	63,772	91,073
Prepaid expenses and other assets	<u>84,077</u>	<u>41,463</u>	Deposits	-	27,570
			Deferred revenue	59,441	516,038
			Other current liabilities (Note 12)	4,006	-
			Current portion of deferred rent (Note 7)	<u>13,514</u>	<u>5,530</u>
Total current assets	<u>10,953,400</u>	<u>9,331,725</u>	Total current liabilities	<u>305,877</u>	<u>810,852</u>
FIXED ASSETS			NON-CURRENT LIABILITIES		
Fixed assets, net of accumulated depreciation and amortization of \$302,401 and \$293,961 for 2012 and 2011, respectively (Note 8)	<u>203,044</u>	<u>213,623</u>	Deferred rent (Note 7)	<u>64,364</u>	<u>80,739</u>
			Total liabilities	<u>370,241</u>	<u>891,591</u>
OTHER ASSETS			NET ASSETS		
Note receivable (Note 2)	50,625	50,625	Unrestricted:		
Deposits	16,413	16,413	Unrestricted	2,920,000	1,405,120
Other assets - Trademark (Note 12)	<u>279,981</u>	<u>-</u>	Non-controlling interest	<u>-</u>	<u>400</u>
Total other assets	<u>347,019</u>	<u>67,038</u>	Total unrestricted net assets	2,920,000	1,405,520
			Temporarily restricted (Note 3)	<u>8,213,222</u>	<u>7,315,275</u>
			Total net assets	<u>11,133,222</u>	<u>8,720,795</u>
TOTAL ASSETS	\$ <u>11,503,463</u>	\$ <u>9,612,386</u>	TOTAL LIABILITIES AND NET ASSETS	\$ <u>11,503,463</u>	\$ <u>9,612,386</u>

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FINANCIAL HIGHLIGHTS: GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Program Expense</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Project distributions	\$ 16,666,413	\$ -	\$ -	\$ -	\$ 16,666,413
Salaries and benefits	2,479,327	441,616	24,210	465,826	2,945,153
Professional fees and services	275,739	35,402	1,941	37,343	313,082
General and administration	178,045	32,307	1,771	34,078	212,123
Legal and registration fees	241,685	46,067	2,525	48,592	290,277
Telephone	24,948	4,755	261	5,016	29,964
Travel	131,524	17,771	974	18,745	150,269
Rent	161,294	30,744	1,685	32,429	193,723
Office supplies, printing and reproduction	54,534	10,189	559	10,748	65,282
Depreciation and amortization	89,979	17,151	940	18,091	108,070
Insurance	10,050	1,916	105	2,021	12,071
Other	<u>82,428</u>	<u>15,578</u>	<u>854</u>	<u>16,432</u>	<u>98,860</u>
TOTAL EXPENSES	<u>\$ 20,395,966</u>	<u>\$ 653,496</u>	<u>\$ 35,825</u>	<u>\$ 689,321</u>	<u>\$ 21,085,287</u>
PERCENT	<u>96.7%</u>	<u>3.1%</u>	<u>.2%</u>	<u>3.3%</u>	<u>100%</u>

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