

 GlobalGiving

2020 Annual Report

TOGETHER, APART:
HOW THE GLOBALGIVING
COMMUNITY CONFRONTED 2020

Photo: *Help Feed and Support 650 Students in Guatemala* by The Education for the Children Foundation (EFTC)

Introduction

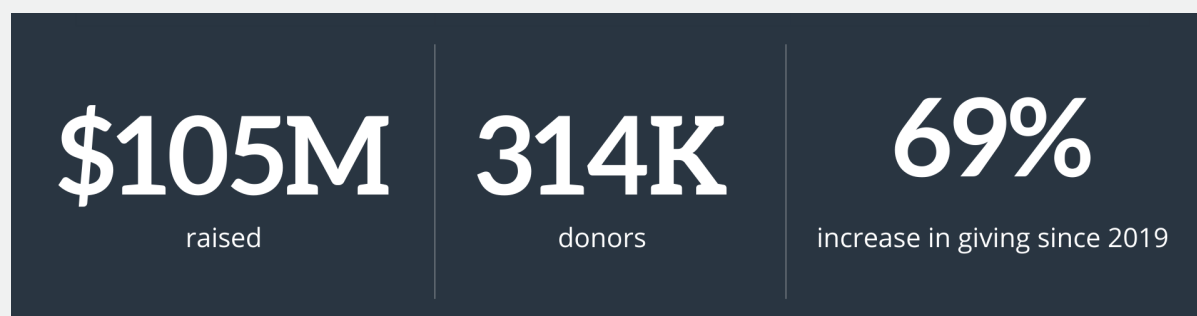
A Year Unlike Any Other

Even the most hurried breakdown of COVID-19 statistics reveals disturbing fault lines: that Black Americans are [four times more likely](#) to be hospitalized with the virus than white Americans; that women make up [70% of the health care workers](#) who are fighting the pandemic every day and also feeling the brunt of its socioeconomic impacts; that people who live in the poorest countries will grapple with coronavirus aftershocks much longer than those who live in the wealthiest. The numbers lay bare the failures of our systems and the resulting inequities, but they can also distract us from the real people they present.

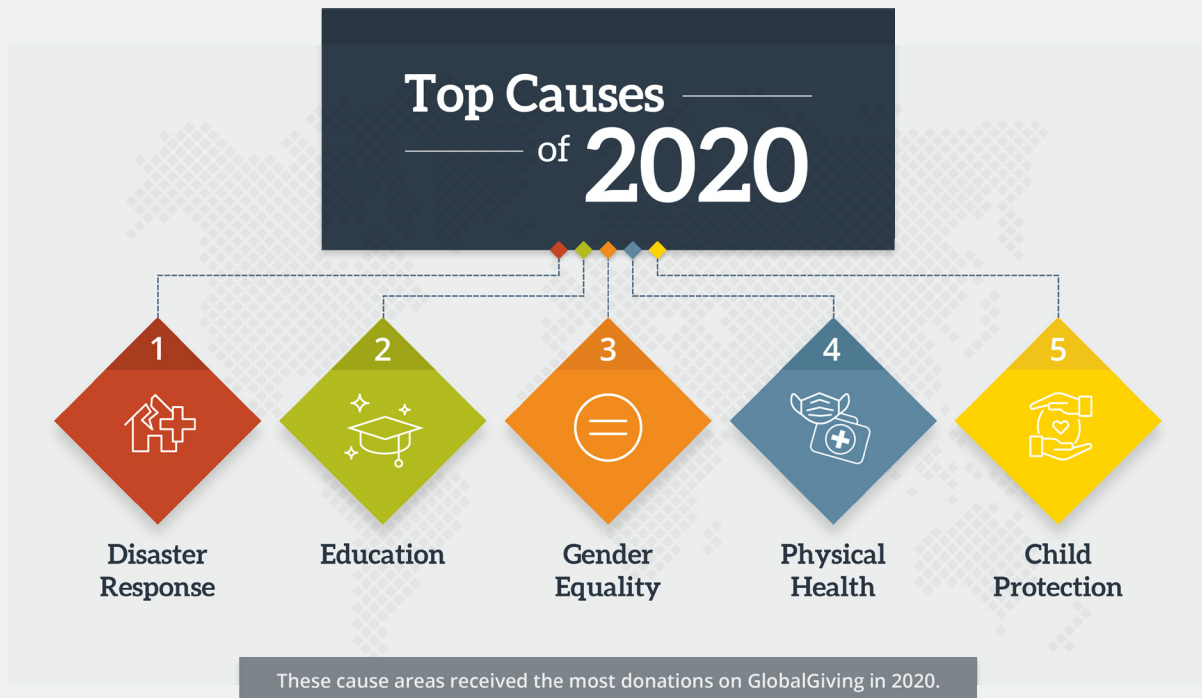
People who have lost lives, livelihoods, and loved ones in the coronavirus pandemic. People who have been robbed of critical learning time or essential social support. People who don't have basic necessities: food, shelter, sanitation, safety.

GlobalGiving was founded in 2002 to **connect people** in need with people who care. No year has proven the power of generosity quite like 2020. The GlobalGiving community came together to raise a record-breaking \$105 million for urgent causes around the world—about one-third of funds raised were devoted to coronavirus responses.

A Response Unlike Any Other



Beyond a pandemic that continues to upturn lives and economies almost everywhere, 2020 also brought record-setting hurricanes and typhoons, devastating wildfires on multiple continents, and a long-overdue racial justice reckoning in the United States. More than 314,000 people responded to the challenges of 2020 by making safe and secure donations to 8,688 projects in 169 countries through GlobalGiving. More than 162 companies, large and small, also acted, sending millions in aid to communities in need.



Behind every donation, every partnership, every project is the belief that a better world is possible.

This belief paired [grandmothers in Senegal with teachers](#), ensuring children could continue learning despite school closures and the lack of WiFi and textbooks in their rural villages. It powered the [Mobile Mini Circus for Children](#) whose creators used circus tools to keep people socially distanced and informed about how to curb the spread of the coronavirus. Without the generosity of GlobalGiving donors, community-led projects like these risk being overlooked and underfunded. In 2020, you helped keep their leaders in the driver's seat of change.

Thank you.

Explore this report to learn more about the GlobalGiving response to COVID-19, disasters that wreaked havoc around the world, and existential threats to nonprofits themselves and the communities they serve. Though daunting, demanding, and in some cases, ongoing, these are the very challenges GlobalGiving was made to solve.

CHAPTER 1

Letting Communities Lead

Photo: *Support Indigenous
Students in the Face of COVID-19*
by Instituto Chaikuni



Letting Communities Lead

On the Tohono O'odham reservation in southwestern Arizona, the nearest grocery store is a two-hour drive away. The mountains in this rural area of the Sonoran Desert are sacred to the Tohono O'odham people—but being near them also makes it difficult to access nutritious food. That was the case even before stay-at-home orders came into effect to curb the spread of COVID-19 in Arizona, which accounts for at least [one-third](#) of all cases among Native Americans nationwide.

The infection rate for Native Americans is nearly [three times higher](#) than for white Americans, and Native Americans are more likely than any other group to be hospitalized due to COVID-19. At the root of the disparity: a history of persecution and entrenched structural inequality. GlobalGiving partner [Native American Advancement Foundation](#) (NAAF) was working with communities to counter these inequalities and vulnerabilities long before the world heard about the coronavirus.

But when the pandemic hit, preserving health and life became the priority. With the support of a \$10,000 grant from the [GlobalGiving Coronavirus Relief Fund](#), NAAF distributed hygiene kits, care packages to elders, and 100 meals per day to kids as the virus and the economic strain spread across the reservation.

NAAF is one of nearly 300 grantees whose lifesaving work in 2020 was made possible by more than 23,000 incredible individuals and companies that donated [\\$12.7 million](#) to the GlobalGiving Coronavirus Relief Fund. This wave of generosity in response to the threat of the coronavirus has fueled critical, community-led relief efforts in more than 69 countries.



We are not alone, but rather, we are here as a community to stretch our hand and lift each other up when needed.

— ROBERTO AMAYA, CORONAVIRUS RELIEF FUND DONOR

Global Threat, Global Response

- January 11**
Chinese media report the first death from the novel coronavirus.
- January 27**
GlobalGiving launches its Coronavirus Relief Fund.
- February 18**
GlobalGiving's Coronavirus Relief Fund raises \$195,000.
- March 9**
GlobalGiving disburses emergency grants, totaling \$175,000, to five nonprofits in China, Iran, Italy, the U.S., and South Korea.
- March 11**
The World Health Organization declares a pandemic.
- March 25**
TIME magazine highlights GlobalGiving as a way to help during the pandemic.
- March 30**
GlobalGiving disburses emergency grants, totaling \$350,000, to seven nonprofits in Germany, Greece, India, Kenya, Morocco, South Africa, and the U.S.
- April 4**
The World Health Organization confirms more than 1 million cases of COVID-19 worldwide.
- April 6**
GlobalGiving disburses emergency grants, totaling \$190,000, to seven nonprofits in Bangladesh, Burundi, Indonesia, Palestine, the U.S., and Yemen.
- April 30**
GlobalGiving disburses emergency grants, totaling \$600,000, to 21 nonprofits in Brazil, Cameroon, China, Democratic Republic of the Congo, Egypt, India, Pakistan, Peru, and the U.S.
- May 29**
GlobalGiving's Coronavirus Relief Fund raises \$1.1 million in a single day.
- June 1**
GlobalGiving disburses emergency grants, totaling \$620,000, to 20 nonprofits in Brazil, Canada, Colombia, India, the Philippines, Russia, Somalia, South Sudan, and the U.S.
- June 22**
GlobalGiving disburses emergency grants, totaling \$245,000, to 10 nonprofits in Canada, Mexico and other Latin American countries, and the U.S.
- July 27**
GlobalGiving disburses emergency grants, totaling \$530,000, to 17 nonprofits in Haiti, the Dominican Republic, Indonesia, Japan, the UK, and the U.S.
- August 3**
GlobalGiving disburses emergency grants, totaling \$665,000, to 33 nonprofits in Afghanistan, Angola, Bangladesh, Burkina Faso, Chile, Colombia, Democratic Republic of the Congo, Ecuador, Guatemala, India, Indonesia, Iran, Iraq, Jordan, Kazakhstan, Lebanon, Pakistan, Peru, South Sudan, and the U.S.
- August 17**
GlobalGiving disburses emergency grants, totaling \$909,000, to 36 nonprofits in Angola, Brazil, Colombia, Democratic Republic of the Congo, Ecuador, Ethiopia, France, India, Kenya, Mali, Mozambique, Myanmar, Nicaragua, Nigeria, Somalia, South Africa, Tanzania, Uganda, the U.S., Yemen, and Zambia.
- August 31**
GlobalGiving disburses emergency grants, totaling \$175,000, to eight nonprofits in India, Mozambique, and the U.S.
- September 21**
GlobalGiving disburses emergency grants, totaling \$1.9 million, to 99 nonprofits in Afghanistan, Argentina, Armenia, Bolivia, Chad, El Salvador, Honduras, India, Indonesia, Iran, Jamaica, Madagascar, Malaysia, Mexico, Morocco, Mozambique, Nicaragua, Niger, the Philippines, Sierra Leone, South Africa, South Sudan, Thailand, Turkey, the U.S., Vietnam, and Yemen.
- September 28**
Global COVID-19 deaths surpass 1 million.
- October 19**
Global COVID-19 cases exceed 40 million.
- November 18**
Pfizer, BioNTech vaccine is 95% effective.
- December 2**
The U.S. records the highest number of daily deaths, new infections, and hospitalizations in the country since the pandemic began.
- December 6**
23,000+ donors contribute \$11 million to GlobalGiving's Coronavirus Relief Fund.

A Flexible Lifeline

While many of GlobalGiving's nonprofit partners were on the front lines and needed emergency grants to defeat COVID-19, the pandemic threw every single one of us deep into uncharted waters. The social sector is in an especially precarious position.

38%

of U.S. nonprofits
or more may close

45%

of UK charities working
overseas may close

75%

of nonprofits have less than
six months of cash on hand

To fill these critical gaps in funding and offer support for the needs of the moment, GlobalGiving launched a [COVID-19 Hardship Microgrants Initiative](#) shortly after the World Health Organization's official pandemic declaration in March. The initial round of 100 \$1,000 unrestricted grants was aimed at helping nonprofit partners navigate the imminent challenges of the pandemic, including the sudden need for virtual programming and better technology.

Incredible support from individuals, companies, and GlobalGiving leadership enabled us to [quintuple](#) the number of grants issued until we reached \$500,000 of funding for 482 organizations in 83 countries.

Even for nonprofit partners that weren't awarded a hardship grant, GlobalGiving offered support and flexibility. Project report deadlines, which fall every three months, were extended to give nonprofits responding directly to the COVID-19 crisis or reeling because of it more breathing room and less stress. Allowing project-specific funding to be used for general operations through June 30, 2020 gave even more partners flexibility to respond as needed to the crisis.

The long-term impacts of COVID-19 aren't over—some aren't even known yet. As the pandemic and the recovery from it continues, GlobalGiving's support will continue, too.

CASE STUDY

Photo: *Capacity-building for Rural Women Artisans in Peru* by Awamaki

Stepping in for Tourism in Peru

An unrestricted microgrant let Awamaki distribute food and provide business support to women artisans in rural Peru who lost their income as pandemic travel restrictions halted tourism to the region.



Our female artisan partners rely on visits from tourists and on tourists' purchases of their crafts to help keep their families afloat. Their access to health care is limited and their economic situation, already precarious, could be devastated by the sudden and drastic reduction in tourism income they will see this year. The women artisans have told us that the top expense for the income they earn from tourism is purchasing food for their families. At Awamaki, we strike to give a hand up rather than a hand out; an opportunity rather than material support. But we recognize that sometimes, material support is what's most needed.

- Veronica Levy, Awamaki, Peru

CHAPTER 2

Women Supporting Women

Photo: *Train 10 Women +
Keep Weaving Alive in Kenya* by
Imani Collective

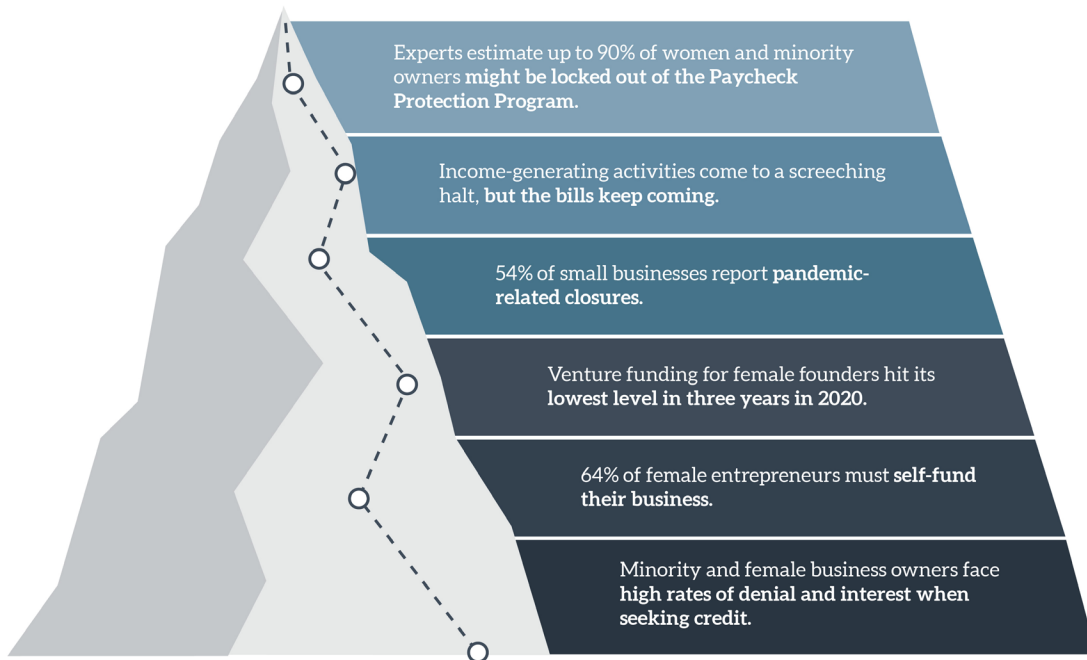


Women Supporting Women



A crisis never affects everyone equally, and the coronavirus pandemic proved early on that it would be no exception. In mid-March when the first stay-at-home orders were issued, these grim realities weren't yet clear. But Spanx founder Sara Blakely, one of the youngest self-made female billionaires in the world, knew her fellow female entrepreneurs were in an unstable position.

The Setbacks of COVID-19



By early April, GlobalGiving had partnered with the Spanx by Sara Blakely Foundation to launch The Red Backpack Fund. She awarded \$5,000 grants to more than 1,000 female entrepreneurs to handle their immediate needs and adapt to keep their businesses alive through the COVID-19 crisis. More than 88,000 business owners applied for The Red Backpack Fund, underscoring the dire circumstances brought on by the pandemic. The GlobalGiving team read thousands of moving testimonials from amazing and innovative women like Chaunda Brock. In her application, Chaunda wrote:



As a small minority business, we have not received any of the federal funding under the Paycheck Protection Program to date. Even if we did, the only operating expense that would qualify for forgiveness would be employee costs. Our parents and community, particularly parents of children with disabilities, are counting on us to weather this so we can reopen and continue serving the schools and the community. Our employees are dedicated and committed to our work and mission. We want to make sure they are taken care of and that we don't lose them. They are the best staff anyone could ask for.

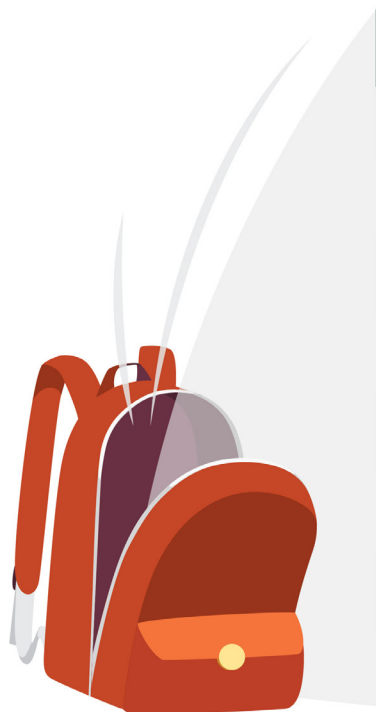
— CHAUNDA BROCK, CO-FOUNDER, ATLANTA KRUZIN KIDZ









Chaunda was one of more than 1,000 female entrepreneurs selected to receive a \$5,000 grant, an all-access pass to MasterClass featuring Sara Blakely's entrepreneurship course, and a lucky red backpack. Women in every state and hundreds of cities across the United States and its surrounding territories became part of The Red Backpack Fund legacy.

Putting The Funds To Use

The recipients had wide-ranging plans for how they would use the funds, from keeping their staff on payroll to getting their bills in on time.

Here's a breakdown of how they intended to use the funds:



INTENDED USE	PERCENTAGE
 Payroll	41.2%
 Rent/Mortgage	26.6%
 Lost Income	16.5%
 Purchase Orders	4.0%
 Accounts Payable	3.8%
 Health Insurance*	1.1%
 Utilities	0.5%
 Transportation	0.2%

*Or other employee benefits

Full recovery may take years, but GlobalGiving's partnership with Sara Blakely, led by a small team of grantmakers and fueled by generosity, is a step forward. From taking brick-and-mortar business models online to finding ways to create a sense of connection during socially distant times, the women of The Red Backpack Fund are creative, unshakeable, and a testament to what happens when women support women.

CHAPTER 3

Warming World, Worsening Disasters

Photo: *Australian Bushfire Relief:
Food and Groceries* by Foodbank
Australia Limited



Warming World, Worsening Disasters

As almost every country battled the coronavirus pandemic's sweeping consequences, some of the most intense climate-induced disasters in recorded history contributed to the climbing death toll as they burned, flooded, and destroyed cities and towns across the world. That includes back-to-back hurricanes in Central America, the world's strongest recorded typhoon in the Philippines, and wildfires from Australia to the West Coast of the United States.



2020 has passed in a haze of disasters, difficulties, and adaptation. Those already displaced or with precarious housing conditions after the 2017 hurricanes and the 2020 earthquakes now experience more insecurity and inequality.

— ARIADNA GODREAU-AUBERT, AYUDA LEGAL PUERTO RICO

Survivors around the world found respite—and resources to prepare for the future—through GlobalGiving. More than \$46 million was contributed to disaster response including COVID-19. We turned to leaders from Indigenous communities to learn how to better prepare for disasters. Our unique approach to disaster recovery, rooted in flexible, trust-based grantmaking, allowed us to react quickly to support the work that affected communities.

Despite the hardships of 2020, the GlobalGiving community—especially our partners on the ground—stepped up to help those in need. As the fires burned across Australia, our nonprofit partners jumped into action, raising \$1.7 million for fire relief in their communities.

If 2020 has shown us anything, it's that we have a greater impact when we take action together. This year, the GlobalGiving community gave to 550 projects that aid disaster-impacted communities in 74 countries, and through Facebook, contributed to fundraisers for 156 disasters. Our nonprofit partners saved lives, rebuilt homes, and responded with care and compassion to people who needed help around the world.

CASE STUDY

Fast Funds for First Responders

The Foundation for National Parks & Wildlife created the Wildlife Heroes program to support the wildlife volunteers who act as first responders in emergency situations. GlobalGiving provided \$70,000 to the organization in January, giving them the funds they needed to respond quickly and support the volunteers working tirelessly to care for hungry, scared animals with severe burns from the fires.

Photo: *Healing Our Land - Bushfire Recovery*
by Foundation for National Parks & Wildlife



The Foundation for National Parks & Wildlife was the first charity to open its Wildlife Heroes grants to volunteer carers nationally, awarding emergency funds within days to help them buy essential resources for rescue and rehabilitation. Since the Black Summer, Wildlife Heroes has helped more than 15,000 carers with wildlife care and, importantly, equipped them with the tools to manage their own mental health.

- Ian Darbyshire, Foundation for National Parks & Wildlife, Australia

CHAPTER 4

Finding Strength in Community

Photo: *Ending Large Scale Sex
Trafficking in India* by My Choices



Finding Strength in Community

Local leaders in the GlobalGiving community formed the backbone of their community's responses to 2020's dizzying array of obstacles. Often on shoestring budgets in a pandemic, GlobalGiving partners around the world adapted to virtual programming, overcame lost revenue from canceled fundraising events, and courageously supported individuals and families in environments where social distancing was nearly impossible, such as refugee camps, food distribution centers, and hospitals.



If studying under normal circumstances was a challenge, studying 'virtually' is even more so, putting many of the Indigenous students at risk of dropping out. Instituto Chaikuni organized more intense tutoring classes as soon as the situation allowed us to. To date, we offer six reinforcement courses: Basic Math, Advanced Math, Physics, Statistics, Oratory, and English. We had to quickly adapt to the new situation created by the pandemic, and so we did.

- ALMENDRA AGUILAR AGUIRRE, INSTITUTO CHAIKUNI, PERU

We now have more nonprofit partners in our community than ever before—3,514 in 128 countries across the globe. Those partners are raising more funds and engaging in programs to learn from each other in greater numbers and with greater enthusiasm than ever before. And they aren't doing it alone. Donors from around the world pitched in to help us support nonprofits.



\$34M

Donors gave generously:

GlobalGiving Gift Cards, matching campaigns, and marketing are powerful—driving 1/3 of dollars raised for partners



2,254

Generosity met action:

of our nonprofit partners participated in GlobalGiving campaigns to fund their vital projects



\$3.6M

We broke records:

was raised on #GivingTuesday alone—making it the most successful fundraising day in GlobalGiving history

As nonprofits around the world struggled to stay afloat and sought new funding opportunities, GlobalGiving welcomed a record-breaking 529 incredible new nonprofit partners from 95 different countries to the family through our virtual onboarding program, the GlobalGiving Accelerator. These latest additions to the GlobalGiving community are championing important causes from providing affordable healthcare for women in Egypt to using nanotechnology to restore coral reefs on the island of Saint Martin.

CASE STUDY

Stronger Together



I work for a small charity and am the sole fundraiser for the organization. Being part of the GlobalGiving Accelerator gave me an immediate sense of community and opened my eyes to new skills and ideas. It was great having a solid structure from day one to develop our fundraising campaign. GlobalGiving shared many useful tools, such as communicating a campaign from start to finish and skillfully mapping our support base.



Photo: *Sponsor A Girl's Education in Rural Morocco* by Education for All Ltd

The team's availability to us, answering our many questions, was impressive. The webinars and the Facebook group meant that every step of our Accelerator launch was guided—like a friend taking you by the hand! I learned more about fundraising in these three weeks than I have over the last seven years, and I'm excited to continue learning and benefitting from GlobalGiving membership and all the free resources offered. I feel like I have a fundraising community now and am more skilled than before. I know that this platform will bring immeasurable benefits to the community of girls in rural Morocco that our work supports.

- Sonia Omar, Education For All Ltd, Morocco

As the months wore on, GlobalGiving partners new and old leaned on one another to navigate 2020's many new challenges. More than 1,000 local leaders connected through collaborative GlobalGiving training programs, including the Peer Learning Network, Peer-to-Peer Mentoring Program, and Online Fundraising Academy. Virtual tools, templates, and resources in the GlobalGiving Learn Library that helped our partners explore cutting-edge ways to fundraise, demonstrate impact, and hold their organizations accountable to their communities were accessed more than 1 million times.

As these local leaders begin reopening and reimagining programs in the face of an uncertain future, they will need our continued compassion and generosity.

Ultimately, the headline is this: no matter the obstacles, the GlobalGiving community will continue growing, learning, and making the world a better place—one day at a time.

CHAPTER 5

Partnering for Good

Photo: *Sewing Machines for Girls for Self-Reliance* by Azad India Foundation

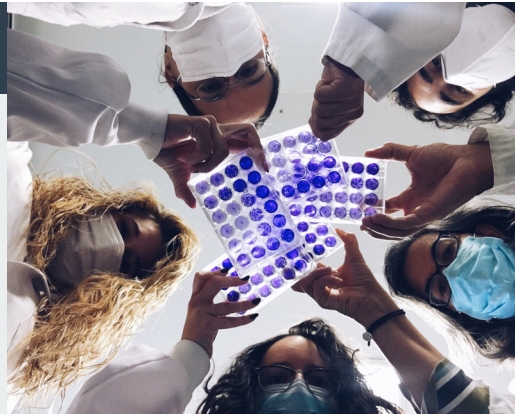


Partnering for Good

In 2020, hand sanitizers and masks were suddenly on everyone's shopping list. For frontline health workers and essential employees, they were an absolute necessity—and one in short supply. GlobalGiving partner 3M stepped up to meet the demand for masks, serving as just one example of hundreds of companies, both global and local, that became key to distributing aid and resources to combat the virus around the world. Many of GlobalGiving's longstanding and new corporate partners worked hard to be part of the solution—even as they navigated the economic and logistical challenges the pandemic posed for them.

CASE STUDY

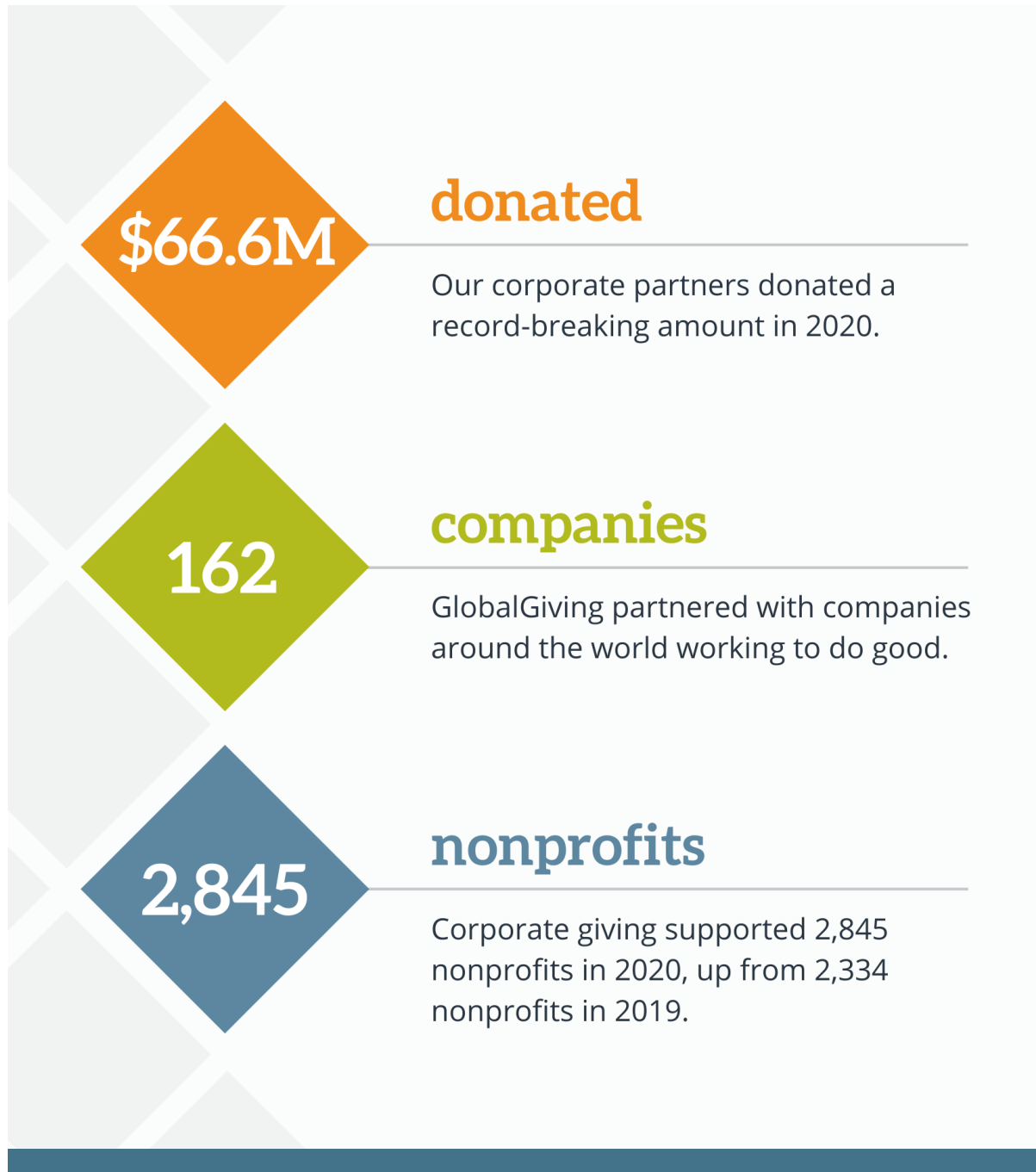
How 3M Manufactured Relief



3M adapted their operations to manufacture and donate products that were key to combatting the pandemic. The company also partnered with GlobalGiving to support global medical universities in COVID-19 treatment research and vaccine development. The company committed a total of \$5 million to the initiative and worked with GlobalGiving to disburse nearly \$2.5 million to universities outside the United States, including Brazil, Chile, Ireland, Israel, Japan, South Korea, and the United Kingdom.

The 3M-supported research at Pontificia Universidad Católica de Chile focused on the development of a vaccine vehicle for safe immunization against COVID-19. Another grant awarded to the University of Campinas in Brazil supported the expansion of its medical research facilities to enable researchers to study COVID-19 and other pathogens with state-of-the-art technology.

We're always impressed by the creative ways that our corporate partners give and enable their customers to support causes they care about. In 2020, the generosity floored us.





The reach of GlobalGiving's corporate grants in 2020

Thanks to our biggest corporate contributors of 2020:

3M, Benevity, Corteva, Cummins, Facebook, Ford Motor Company Fund, Impact Assets, L'Oreal, Riot Games, and Spanx

Thanks also to new partners including:

Aptiv, Bechtel Group Foundation, Bosch Community Fund, Colgate-Palmolive, Dow Jones, Electronic Arts, JPMorgan Chase, Logitech, and MetLife Foundation

Giving and Adapting

As the pandemic affected supply chains around the world and forced offices to close, companies looked for ways to continue their operations and keep their employees safe. More than ever before, our corporate partners listened and responded to the needs of their communities. One way they did so was through generous grantmaking to nonprofits at the forefront of COVID-19 response efforts.

GlobalGiving's grantmaking experts focused on flexibility with corporate grants to let nonprofit partners determine the best way to support their communities for maximum impact, as needs continually shifted throughout the pandemic.

Through our partnership with the Ford Motor Company Fund, GlobalGiving awarded more than 104 general operating grants in 2020 alone.

Amid the challenges and changes of the pandemic, GlobalGiving's community-led principles continue to shape the future of corporate grantmaking.

Among GlobalGiving's 162 corporate partners, the number of programs to engage employees in giving or integrate it into business as usual grew in 2020:



We trust our partners to use the funding as they see fit in order to move their important work forward during this time of limited funding happening around the world. We value our partnerships and understand the importance of their sustainability in order to make a difference in our communities.

- BENNA DEESE, FORD MOTOR COMPANY FUND

44+

employee giving
programs

28+

cause marketing
programs

Each act of generosity from the incredible companies that sustained missions, offered support, and found ways to keep going during a tumultuous year fueled us. Through it all, we'll keep asking: "How can we partner for good?"

CHAPTER 6

Challenging the Status Quo

Photo: *Help Kenyan and Ugandan
Women Provide Clean Water* by
Global Women's Water Initiative



Challenging the Status Quo

What does community-led philanthropy look like?

How can we approach dilemmas with empathy and make decisions with integrity?

Those are the big, broad questions GlobalGiving's Evidence + Learning Team tackled in 2020.

Community Research by the Community

To understand the concept of community-led change, we wanted to learn what community members themselves thought about it. Our ultimate goal is to make it easier for funders (like us) to identify, support, and strengthen community-led approaches. Too often, the tools funders use do not reflect the community's perspective or preferences.



At best, those tools developed outside of communities can miss the nuances of community-led processes and outcomes. At worst, they can deepen existing inequities.

Through a partnership with Global Fund for Community Foundations, we worked with field partners in six countries—India, Mexico, Nepal, Russia, Vietnam, and Zambia—to co-design a process to identify community-led approaches, document them and their long-term impact, and discover how funders' policies and practices promote or inhibit community led-ness. This participatory research yielded some important findings including:

The community (and its goal) is in the eye of the beholder.

Participants offered different interpretations of the term "community." For some, it meant people in the same place sharing resources and facing common challenges. For others, it meant people with a shared identity, but not necessarily in the same location.

Funders can support and promote community-led processes

when they communicate openly and work in partnership and express patience, an appreciation for and curiosity about local conditions and context, and humility. Flexible funding and non-financial resources are two concrete and important offerings that promote community-led approaches.

To help determine whether work or organizations are community led, our six research partners developed a self-assessment survey. The Community-Led Assessment is a quantitative and qualitative questionnaire of nine essential characteristics of community-led work (considered universally applicable). Those characteristics are:



These are the first [outputs and answers](#) of our research. In our next phase of this work in 2021, we will hone the tools, seek to understand what formats would be most useful to potential users, and make them publicly available. We'll also continue to facilitate connections and exchanges among community-led groups, intermediaries, and funders supporting community-led initiatives. As we work together, those closest to the work will remain the focus.

Solving the Platform Neutrality Paradox

Prompted by a series of dilemmas, GlobalGiving has recently reflected upon the concept of neutrality. Platforms like ours (and many others) are finding themselves stuck in what we called the [Neutrality Paradox](#). Who should be allowed on the platform? Who should be off? And who gets to make those decisions? We couldn't *not* address these dilemmas.



The problem: At times, it can be very unclear whether a certain activity belongs on your platform or not. In fact, we found ourselves in situations where either choice—removing or keeping it on—seemed wrong. We called this the Neutrality Paradox.

— ALIX GUERRIER, GLOBALGIVING CEO

So we started asking other platform leaders and philanthropy intermediaries how they handled dilemmas through a 10-part article discussion [series](#) in Alliance magazine.

We worked with more than 100 peers and stakeholders through research, convenings, and design sprints to develop the [Ethos](#) Principles and Process as an approach and mindset to help us all make more confident decisions with integrity.

Ethos is designed to help decision-makers incorporate all stakeholder needs into their decision processes and to find creative “third-way” resolutions. Resolutions that go beyond “keep them on the platform” and “take them off the platform” binaries. In testing, the Ethos prototype has led to creative resolutions that give the decision-maker confidence while prioritizing relationships, dignity, and integrity.

We want this work, supported by the Bill & Melinda Gates Foundation, to help digital civil society platforms, philanthropy intermediaries, and even commercial platforms better govern their communities, advance their missions, and uphold their integrity as we enter the next phase of the growing platform economy.

A Community-Led Research Agenda



GlobalGiving will continue to address fundamental issues like systems change and ethics in technology, first and foremost, to improve our work. The hope is that by “learning out loud” and sharing our successes and failures, we’ll also help transform aid and philanthropy to accelerate community-led change.

The Year Ahead

A Note from GlobalGiving's CEO

In some ways, 2020 devastated us; in others, it galvanized us.

Although we helped students from Nairobi, Kenya to Connecticut, USA continue learning, fueled local responses to natural disasters worldwide, and fostered climate action through projects that planted mangroves and harnessed solar power, the pandemic was the most all-encompassing challenge that we faced.

COVID-19 has impacted all of us. Personally. Professionally. Profoundly. In early April, the news that my uncle and godfather died from COVID-19 shattered my family. I was struck by how many people around the world were facing similar loss and grief, and especially how many were doing so at the same time that job losses and lack of childcare took away basic assumptions we had about how we lead our lives.

At GlobalGiving, we committed to adapting the way we [meet our mission](#). We couldn't allow anything to impede community-led change—not even a virus that has changed the world.

As we tried to adjust to a new reality and the pandemic's compounding effects on communities everywhere, the sweeping racial justice protests made us rise up and reassess. We wanted to rally behind our partners and take a stand. But we also realized that [we have work to do](#). We dove into that work for the remainder of the year. Preparing to audit all of our programs for implicit bias, prioritizing the visibility of our partners engaged in racial justice work in the United States and internationally, and identifying, naming, and addressing how philanthropy broadly (including ourselves) plays a role in structural racism was a start.

But it's not a task that we can simply check off a to-do list. "Our commitments are not enough to undo systems created and reinforced over hundreds of years to oppress Black people in the United States. It will take all of us, working hard every day, to create a future free from racial injustice," GlobalGiving Director of Programs Michael Gale wrote. That work is only part of our contribution and part of our continual process of learning and growing.

Distance, divisions, and disasters defined 2020. They threatened our ties and tested our solutions. Luckily, we're tightly knit—and dogged.

And, thankfully, we were strengthened by a level of generosity we've never seen before. From the person who gave the extra they had in their pocket to the corporation that contributed to a grant program, we saw an outpouring of support. Those donors helped our nonprofit partners continue their critical work on the front lines as they continued their fight for the causes closest to their hearts, such as gender equality, wildlife conservation, and human rights.

Their generosity added up to \$105 million for vital work by our nonprofit partners in 2020—a goal that was once so enormous GlobalGiving staff referred to it as the BHAG: big, hairy, audacious goal. We saw that BHAG nearly every day back when we worked from our office in Washington, D.C. When we started working from home in March, we thought we were a long way from the milestone. And we certainly didn't think we would get there during a pandemic.

But that monumental number is not about us. It happened because of you. Thank you for being the light in a long, dark year. Thank you for making it possible to reach new heights and keep going.

As we chisel away at the long-established status quo of aid, philanthropy, and disaster response, we're seeing our ideas and efforts make an impact. That's all the fuel that we need to move toward bigger goals and greater influence for our 3,500+ partners around the globe.

We know a better world is possible, and we are set on creating it.

Please join us in building a future in which nonprofits are free to be accountable first and foremost to the communities they serve instead of funders. A future where philanthropy is built on trust and community-led changemakers have the resources they need to pursue the solutions they believe are best.

We'll keep doing our part. All we need for even more impact in 2021 is **you**.

With gratitude for your partnership,



Alix Guerrier
GlobalGiving CEO



CONSOLIDATED FINANCIAL STATEMENTS

**GLOBALGIVING FOUNDATION, INC.
AND SUBSIDIARY**

**FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED CONSOLIDATED
FINANCIAL INFORMATION FOR 2019**

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
GlobalGiving Foundation, Inc. and Subsidiary
Washington, D.C.

We have audited the accompanying consolidated financial statements of the GlobalGiving Foundation, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of GlobalGiving UK, a subsidiary, which statements reflect total assets of \$2,036,198 as of December 31, 2020 and total revenue of \$3,964,539 for the year ended December 31, 2020. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for GlobalGiving UK, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(301) 951-9090 • WWW.GRFCPA.COM**

**MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION**

Opinion

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the GlobalGiving Foundation, Inc. and Subsidiary as of December 31, 2020, and the consolidated change in their net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the GlobalGiving Foundation, Inc. and Subsidiary's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 30, 2021. The financial activity of GlobalGiving UK included in those financial statements was audited by other auditors, whose report dated July 21, 2021 was furnished to us, and our opinion, insofar as it related to the amounts included for GlobalGiving UK, was based solely on the report of the other auditors. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

February 5, 2022

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 49,041,943	\$ 39,274,563
Investments	2,624,239	2,563,413
Accounts and pledges receivables	3,170,562	1,410,976
Grants receivable	300,000	15,000
Prepaid expenses and other assets	<u>282,013</u>	<u>92,771</u>
Total current assets	<u>55,418,757</u>	<u>43,356,723</u>
FIXED ASSETS		
Fixed assets, net of accumulated depreciation and amortization of \$1,187,511 and \$1,066,697 for 2020 and 2019, respectively	<u>352,277</u>	<u>420,483</u>
OTHER ASSETS		
Other assets - Trademark	<u>311,487</u>	<u>311,487</u>
TOTAL ASSETS	<u>\$ 56,082,521</u>	<u>\$ 44,088,693</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Loan payable	\$ 880,000	\$ -
Accounts payable and accrued expenses	168,584	285,198
Accrued payroll liabilities	112,161	80,391
Project distributions payable	838,304	723,175
Deferred revenue	394,337	307,418
Deferred rent	281,264	99,172
Other current liabilities	<u>4,006</u>	<u>5,667</u>
Total current liabilities	<u>2,678,656</u>	<u>1,501,021</u>
NON-CURRENT LIABILITIES		
Deferred rent, net of current portion	<u>224,335</u>	<u>431,023</u>
Total liabilities	<u>2,902,991</u>	<u>1,932,044</u>
NET ASSETS		
Without donor restrictions	10,321,068	6,793,404
With donor restrictions	<u>42,858,462</u>	<u>35,363,245</u>
Total net assets	<u>53,179,530</u>	<u>42,156,649</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 56,082,521</u>	<u>\$ 44,088,693</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants	\$ 1,105,072	\$ 1,217,347	\$ 2,322,419	\$ 1,092,150
Project contributions	7,268,849	99,012,859	106,281,708	61,604,779
Professional services	4,579,264	-	4,579,264	2,945,046
Investment income, net of fees	61,226	-	61,226	41,245
Interest income	22,328	-	22,328	154,510
Other revenue	103,039	-	103,039	79,370
Rental income	-	-	-	1,275
Net assets released from donor restrictions	<u>92,761,539</u>	<u>(92,761,539)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>105,901,317</u>	<u>7,468,667</u>	<u>113,369,984</u>	<u>65,918,375</u>
EXPENSES				
Program Expenses	97,193,630	-	97,193,630	64,608,752
Management and General	4,845,575	-	4,845,575	3,733,565
Fundraising	<u>347,663</u>	<u>-</u>	<u>347,663</u>	<u>329,663</u>
Total expenses	<u>102,386,868</u>	<u>-</u>	<u>102,386,868</u>	<u>68,671,980</u>
Change in net assets before other item	3,514,449	7,468,667	10,983,116	(2,753,605)
OTHER ITEM				
Currency exchange rate gain	<u>13,215</u>	<u>26,550</u>	<u>39,765</u>	<u>25,279</u>
Change in net assets	3,527,664	7,495,217	11,022,881	(2,728,326)
Net assets at beginning of year	<u>6,793,404</u>	<u>35,363,245</u>	<u>42,156,649</u>	<u>44,884,975</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,321,068</u>	<u>\$ 42,858,462</u>	<u>\$ 53,179,530</u>	<u>\$ 42,156,649</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2019

	2020			2019
	Program Expenses	Management and General	Fundraising	Total Expenses
Grant expense (Project disbursements)	\$ 91,876,677	\$ -	\$ -	\$ 91,876,677
Salary and benefits	3,355,110	3,528,483	222,582	7,106,175
Professional fees	951,807	414,858	55,934	1,422,599
Systems, domains and connectivity	393,464	357,730	26,076	777,270
Rent	207,562	198,979	14,504	421,045
Other expenses	250,947	12,357	17,536	280,840
Legal	-	181,846	-	181,846
Depreciation and amortization	59,127	56,682	4,132	119,941
Meetings and conventions	33,301	31,924	2,327	67,552
Travel	22,616	21,681	1,580	45,877
Insurance	18,041	17,295	1,261	36,597
Subscriptions and publications	13,163	12,618	920	26,701
Office supplies, printing and reproduction	11,601	11,122	811	23,534
Field services	214	-	-	214
TOTAL	\$ 97,193,630	\$ 4,845,575	\$ 347,663	\$ 102,386,868

See accompanying notes to consolidated financial statements.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED CONSOLIDATED FINANCIAL INFORMATION FOR 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,022,881	\$ (2,728,326)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	119,941	104,161
Donated securities	(280,831)	(98,485)
Unrealized loss on investments	-	13,424
Realized gain on investments	(22,304)	(18,083)
(Increase) decrease in:		
Receivables	(1,759,586)	1,399,020
Pledges and grants receivable	(285,000)	285,000
Prepaid expenses and other assets	(189,242)	(28,174)
(Decrease) increase in:		
Accounts payable and accrued expenses	(116,614)	16,029
Accrued payroll liabilities	31,770	7,387
Project distributions payable	115,129	170,394
Deferred revenue	86,919	(120,314)
Deferred rent	(24,596)	(86,714)
Other current liabilities	(1,661)	(711)
Net cash provided (used) by operating activities	<u>8,696,806</u>	<u>(1,085,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(51,735)	(126,985)
Purchase of investments	(38,522)	(4,093,599)
Sales of investments	<u>280,831</u>	<u>2,634,249</u>
Net cash provided (used) by investing activities	<u>190,574</u>	<u>(1,586,335)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>880,000</u>	<u>-</u>
Net cash provided by financing activities	<u>880,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	9,767,380	(2,671,727)
Cash and cash equivalents at beginning of year	<u>39,274,563</u>	<u>41,946,290</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 49,041,943</u>	<u>\$ 39,274,563</u>
SUPPLEMENTAL INFORMATION		
Taxes Paid	<u>\$ -</u>	<u>\$ 130</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

The GlobalGiving Foundation, Inc. (the Foundation) helps U.S. and non-U.S. based entities access philanthropic capital by making the connections between donors and implementers of charitable programs more efficient, more transparent, and therefore more likely. By providing a secure and transparent environment for giving, the Foundation simultaneously fosters social innovation by enabling new and unproven ideas to have a chance at success, and enables individuals and corporations to maximize their global philanthropy. The Foundation functions as a charitable, not-for-profit, non-stock corporation and has one class of voting members, which comprise the Board of Directors, consisting of ten members. The affairs and management of the Foundation are under the control of the Board of Directors.

GlobalGiving UK (GG UK) is an England and Wales registered charity under the English law and is limited by guarantee. GG UK's charitable objectives are to advance any purpose which is deemed to be exclusively charitable under English law. GG UK's principal activity is working in partnership with GlobalGiving Foundation, Inc. in supporting the platform globalgiving.org which enables individuals, companies, and foundations to support a range of vetted charitable projects from all over the world. Donors to a specific project are automatically updated with the latest progress reports, therefore able to see the direct impact on the communities concerned. Included in the consolidated accompanying financial statements are the amounts from financial statements for GG UK, which were audited by other auditors, whose reports have been furnished to the Foundation.

Principles of consolidation -

The accompanying consolidated financial statements reflect the activities of GlobalGiving Foundation, Inc. and Subsidiary for the year ended December 31, 2020. The financial statements of the Foundation and the GG UK are in accordance with FASB Accounting Standards Codification (ASC) 958-810, *Not-for-Profit Entities, Consolidation*. The Foundation is the sole company law member of GG UK, and as such, it has the right to change GG UK's constitution (known as its Memorandum and Articles of Association) and to appoint and remove trustees of GG UK. All intercompany transactions have been eliminated during consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Basis of presentation (continued) -

- **Net Assets with Donor Restrictions (continued)** - When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the GlobalGiving Foundation, Inc. and Subsidiary's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and cash equivalents -

The GlobalGiving Foundation, Inc. and Subsidiary consider all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

The Foundation receives website donations designated to over 7,500 pre-screened projects and makes remittances to those organizations as appropriate. These funds are segregated from the Foundation's other funds and as of December 31, 2020, totaled \$44,857,589.

The terms of a grant held by the Foundation require funds to be segregated from the Foundation's other funds. As of December 31, 2020, these funds totaled \$44,403.

At December 31, 2020, the Foundation had \$1,873,887 of cash and cash equivalents held at financial institutions in foreign countries. The majority of funds held in foreign countries is uninsured.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid by external investment advisors in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts, pledges, and grants receivable -

Accounts and pledges receivables are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Accounts, pledges, and grants receivable (continued) -

Pledges receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and gifts revenue.

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Grant funding received in advance of incurring the related expenses is recorded as deferred revenue.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. Leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2020 totaled \$119,941.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Consolidated Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

The Foundation -

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. The Foundation is not a private foundation.

GlobalGiving UK -

GG UK is exempt from United Kingdom income tax and corporation tax, provided that the money is used solely for charitable purposes. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Uncertain tax positions -

For the year ended December 31, 2020, the GlobalGiving Foundation, Inc. and Subsidiary have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Project distributions payable -

Project distributions payable represent funds collected by GlobalGiving UK that are transferred to the Foundation to be disbursed to various charitable organizations.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Project distributions payable (continued) -

The revenue and expense are recorded within GlobalGiving UK's income statement and the Foundation serves as a pass-through organization.

Contributions and grants -

The majority of the Foundation's revenue is received through contributions and grants. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of the individual contribution, grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants and contracts qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Contributions and grants agreements qualifying as conditional contributions contain a right of return and a barrier. As such, the Foundation recognizes revenue for these conditional contributions when the related barrier has been overcome. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. The Foundation did not have any conditional awards as of December 31, 2020.

Contracts classified as exchange transactions for professional services follow ASU 2014-09, *Revenue from Contracts With Customers* and record revenue when the performance obligations are met. The Foundation has elected to opt out of all (or certain) disclosures not required for nonpublic entities. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant or contract agreements. Grants and contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant and contract agreements. Funding received in advance of incurring the related expenses is recorded as deferred revenue.

The Foundation recognizes management fees on a pro-rata basis over the annual management period. The Foundation recognizes setup fees when the services are performed. Revenue recognized for these fees are included in professional services on the Consolidated Statement of Activities and Change in Net Assets.

Foreign currency translation -

The U.S. Dollar (Dollars) is the functional currency for the Foundation's worldwide operations. Transactions in currencies other than U.S. dollars are translated into dollars. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position. Fluctuations in currency are reported on the Consolidated Statement of Activities and Change in Net Assets as income (loss) and included in contributions.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Foundation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Risks and uncertainties -

The GlobalGiving Foundation, Inc. and Subsidiary depend primarily on donations and grants to carry on their charitable activities; consequently, any change in giving patterns would affect the GlobalGiving Foundation, Inc. and Subsidiary's ability to fund their operations.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Fair value measurements -

The Foundation adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Foundation accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact The Foundation's operations. The overall potential impact is unknown at this time.

New accounting pronouncement not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

New accounting pronouncement not yet adopted (continued) -

The amendments in this ASU address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Foundation plans to adopt the new ASUs at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation.

2. **INVESTMENTS**

In accordance with FASB ASC 820, *Fair Value Measurement*, the Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Foundation has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. INVESTMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There were no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2020. Transfers between levels are recorded at the end of the reporting period, if applicable.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total December 31, 2020</u>
Asset Class:				
Mutual funds - Fixed income	\$ <u>2,624,239</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,624,239</u>

Included in investment income are the following:

Interest and dividends, net	\$ 38,922
Realized gain	<u>22,304</u>
TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	\$ <u>61,226</u>

3. FIXED ASSETS

Fixed assets consisted of the following for the year ended December 31, 2020:

Furniture, fixtures and computers	\$ 727,513
Software	201,835
Leasehold improvements	<u>610,440</u>
	1,539,788
Less: Accumulated depreciation and amortization	<u>(1,187,511)</u>
FIXED ASSETS, NET	\$ <u>352,277</u>

4. LOAN PAYABLE

On April 20, 2020, the Foundation received loan proceeds in the amount of \$880,000 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first ten months after the last day of the covered period. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. The Foundation used the proceeds for purposes consistent with the Paycheck Protection Program. The Foundation was granted forgiveness on June 21, 2021.

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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5. LINE OF CREDIT

The Foundation has a \$350,000 bank line of credit. Amounts borrowed under this agreement bear interest at a rate of 3.20% and matures on October 21, 2022. As of December 31, 2020, there was no outstanding balance on the line of credit. The line is secured by cash held in accounts at the same financial institution.

6. NET ASSETS WITH DONOR RESTRICTIONS

The GlobalGiving Foundation, Inc. and Subsidiary's net assets with donor restrictions are mostly comprised of donations received that will be used to provide benefits to specific charitable projects and have not yet been distributed to the sponsoring organizations.

Net assets with donor restrictions consist of the following at December 31, 2020:

Subject to expenditure for specified purpose:	
Foundation projects	\$ 42,430,690
Guarantee reserve	4,467
GG UK projects	<u>423,305</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 42,858,462</u>

7. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
Foundation project distributions	\$ 88,711,115
GG UK projects	<u>4,050,424</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 92,761,539</u>

8. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 49,041,943
Investments	2,624,239
Accounts and pledges receivables	3,170,562
Grants receivable	<u>300,000</u>
Subtotal financial assets available within one year	55,136,744
Less: Donor restricted funds	<u>(42,858,462)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 12,278,282</u>

GLOBALGIVING FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

8. LIQUIDITY AND AVAILABILITY (Continued)

The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation defines operating expenses as total expenses less grant expenses, expenses required to satisfy restricted revenue, and less short-term extraordinary expenditure developmental initiatives. As of December 31, 2020, the Foundation has financial assets equal to approximately sixteen months of operating expenses. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Foundation also could draw upon \$350,000 of available line of credit (as further discussed in Note 5).

9. COMMITMENTS

Outsourced Services - The Foundation contracts with Insperity as a full-service, outsourced human resources provider for the Foundation. The agreement will remain in effect until terminated. Either party may cancel this Agreement at any time by giving the other party thirty (30) days prior written notice.

10. RETIREMENT PLAN

The Foundation established the GlobalGiving Foundation, Inc. 401(k) Plan for the exclusive benefit of all eligible employees and their beneficiaries. To be eligible to make a salary deferral contribution and to receive a matching contribution, an employee must have completed a minimum of three months of service with 160 hours in each month.

Each year, at the Foundation's discretion, a match may be a discretionary percentage allocated proportionate to an employee salary deferrals, flat dollar amount, or tiered formula, as the Foundation elects each year. The safe harbor contribution will be a match of 100% of the first 3% of salary deferral plus 50% of the next 2% of salary deferral. The total safe harbor match for the year ended December 31, 2020 was \$177,244.

Additionally, the Foundation, at its discretion, may make a profit sharing contribution to the Plan. To be eligible to receive an allocation of the discretionary employer profit sharing contributions an employee must complete 1,000 hours of service during the Plan year and be employed the last day of the Plan year. The Foundation did not make a profit sharing contribution for the year ended December 31, 2020.

11. LEASE COMMITMENT

In 2014, the Foundation entered into a lease agreement for new office space. The lease commenced on August 1, 2014 and terminates on July 31, 2024. Base rent is \$26,971 per month, with annual set escalations, plus a proportionate share of expenses.

During 2016, GG UK signed a new lease with contractual terms commencing on April 24, 2016 and terminating on April 23, 2019. The lease has a base rent of £13,800 per annum, plus a proportionate share of service charges, taxes, and utilities. The base amount will be reviewed on an annual basis and adjusted based on the current RPI at the time of review. This lease was not renewed at the time of termination.

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11. LEASE COMMITMENT (Continued)

GG UK signed a twenty-four month lease agreement for new office space with a commencement date of July 12, 2019. Base rent on the lease is £2,100 per month plus a proportionate share of service charges, taxes, and utilities.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the Consolidated Statement of Financial Position.

The following is a schedule of the future minimum lease payments:

<u>Year Ending December 31,</u>	<u>Rental Payments</u>
2021	\$ 408,830
2022	401,405
2023	394,221
2024	404,089
2025	<u>239,118</u>
	<u>\$ 1,847,663</u>

Rent expense for the year ended December 31, 2020 totaled \$421,045. The deferred rent liability was \$505,599.

12. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the GlobalGiving Foundation, Inc. and Subsidiary have evaluated events and transactions for potential recognition or disclosure through February 5, 2022, the date the consolidated financial statements were issued.

In July 2021, the Foundation entered into a new lease agreement for office space in Washington, D.C. The terms of the lease are from July 1, 2021 through December 31, 2032. Base rent is \$74,461 per month, with annual set escalations, plus a proportionate share of expenses. The lease also includes a tenant improvement allowance of \$1,869,030 and rent abatement for the first 18 months of the lease term of \$1,351,460.