
Insights: Deploying Funds Domestically vs. Internationally

For U.S.-Based Flow Funds

KINSHIP EARTH

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Insights: Deploying Funds Domestically in the U.S. vs. Internationally

(For U.S.-Based Flow Funds)

Purpose

This document offers key insights for **U.S.-based Flow Funds and Flow Funders** deploying resources both **within the United States** and **internationally**.

Because Kinship Earth is a U.S.-based foundation, this guidance reflects **U.S. legal and compliance requirements**. If your Flow Fund is based outside the U.S., please adapt these principles to your local regulations.

The goal is to help Flow Funders move money in ways that are **ethical, lawful, and relational** — ensuring generosity can flow freely while honoring our shared responsibility as stewards of resources.

1. The Current Landscape of U.S. Philanthropy & Compliance

The environment for philanthropy and charitable giving in the United States is shifting.

Recent years have brought increased scrutiny from regulatory agencies, reduced access to certain forms of federal funding, and greater risks for nonprofits using language or framing considered “political” — even when addressing social, racial, or environmental issues at their root.

Some organizations have lost or risked their tax-exempt status due to perceived advocacy or alignment with contested terms, while others face more stringent reporting obligations. As a result, **grassroots and mission-driven groups are having to adapt — becoming more creative, relational, and community-supported in how they sustain their work.**

At the same time, **traditional philanthropy is being challenged** for perpetuating the very inequities it seeks to solve — through centralized control, complex applications, and restrictive funding practices that limit autonomy and innovation at the local level.

Flow Funding offers another way.

It decentralizes decision-making, builds trust between donors and doers, and allows funds to flow with more agility and responsiveness.

Kinship Earth's role includes **educating Donor Advised Funds (DAFs), family offices, and philanthropic institutions** on why and how to practice Flow Funding — encouraging them to move beyond compliance-driven giving toward **relational, trust-based funding** that centers community voice and systemic healing.

 *In this evolving landscape, Flow Funding provides a bridge between wealth and wisdom — helping funders act with integrity and responsiveness in a time when creativity and trust are essential.*

2. Domestic Giving (Within the United States)

When **Flow Funding within the United States**, the process is generally simpler and requires fewer compliance steps — provided the Flow Fund itself is U.S.-based.

Even so, documentation, clarity of purpose, and alignment with charitable intent remain essential to uphold trust and transparency.

Key Considerations

- **Tax Status:** Funds may be disbursed to individuals, nonprofits, or unincorporated projects. When funds are given to individuals or informal groups, it's important to clearly document the charitable intent — for public benefit rather than personal enrichment.
- **Fiscal Sponsorship:** If a recipient lacks 501(c)(3) status, consider partnering with a fiscal sponsor. This ensures accountability and may provide tax-deductible options for donors.
- **Reporting:** Use the Flow Funder Reporting Form to record each disbursement — amount, date, purpose, and brief outcomes or learnings.

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- **State Regulations:** Some states may have unique reporting or charitable solicitation rules; confirm if applicable.
 - **Relational Ethics:** Always prioritize transparency and shared understanding with recipients
 - communicate expectations and maintain open dialogue.
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3. International Giving

When a **U.S.-based Flow Fund** disburses funds internationally, there are additional layers of compliance and context to consider.

Each country has its own laws governing how funds for **social, environmental, or charitable causes** can be received and used. These laws vary widely — from open and flexible frameworks to highly regulated systems requiring permits, tax registrations, or government approvals.

Key Considerations

- **Legal Context:**

Some countries treat incoming grants or donations as taxable income, while others require NGOs or individuals to register foreign gifts. Encourage recipients to check their local regulations and, if necessary, seek guidance from trusted advisors.

- **Currency and Transfer Logistics:**

Choose legal and transparent methods for sending funds (e.g., Wise, PayPal, international wire). Verify accessibility and cost-effectiveness on both sides.

- **Documentation:**

Record each international transfer — including recipient contact information, purpose, amount, and confirmation of receipt.

- **Exchange Rates and Fees:**

Factor in conversion rates and transfer costs so the recipient receives the intended amount.

- **Verification and Safety:**

Maintain direct communication with recipients, verify legitimacy, and confirm shared understanding of purpose and use of funds.

 *Compliance ensures protection for both giver and receiver. Flow Funding is built on trust — and trust is strongest when paired with transparency and diligence.*

4. Compliance and Due Diligence for International Giving

(Included in the Flow Funder Onboarding Form)

To maintain ethical and legal alignment with U.S. regulations, **Kinship Earth includes the following acknowledgment and compliance section in the Flow Funder Onboarding Form.**

Each Flow Funder who may disburse funds internationally is asked to read, understand, and confirm the following:

Acknowledgment and Compliance with OFAC (U.S. Department of the Treasury's Office of Foreign Assets Control)

By checking this box:

I acknowledge that funds disbursed to recipients outside the U.S. may require additional documentation or reporting to ensure compliance with U.S. and local tax regulations.

By checking this box, I also confirm the following:

1. Recipient Legitimacy:

I have verified that all recipients of funds are legitimate and compliant with U.S. Office of Foreign Assets Control (OFAC) regulations. I will not engage in any activities that violate U.S. sanctions or laws, including but not limited to supporting terrorism, trafficking, or other unlawful activities.

2. Prohibited Purposes:

I acknowledge that funds must not be used for any prohibited purposes, as defined by OFAC regulations and U.S. law.

3. Due Diligence:

I have conducted due diligence to confirm that the recipient(s) are not listed on any OFAC sanctions lists, such as the Specially Designated Nationals (SDN) list, and that the intended transactions are lawful and ethical.

4. Legal Accountability:

I accept all legal responsibility for ensuring that the funds I disburse comply with OFAC regulations.

5. Adherence to Compliance Requirements:

I agree to adhere to all OFAC compliance requirements, including monitoring and reporting obligations, as applicable.

Resources for Verification and Compliance

• **OFAC Homepage:**

<https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>

• **Compliance Guidelines for Sanctioned Countries & Entities:**

<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/compliance-guidelines>

• **Full SDN List (Specially Designated Nationals and Blocked Persons):**

<https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-data-files>

• **Frequently Asked Questions (FAQs):**

<https://home.treasury.gov/policy-issues/financial-sanctions/faqs>

5. Balancing Trust, Adaptation, and Compliance

Flow Funding thrives at the intersection of **trust, adaptability, and responsibility**.

The current philanthropic landscape calls for creativity and courage — especially as many organizations must innovate new pathways to sustain mission-driven work.

These compliance steps are not barriers but bridges — ensuring that generosity can move **freely, safely, and sustainably** in an increasingly complex environment.

We encourage Flow Funders to:

- Pair relational trust with clear, simple documentation.
- Use shared templates (agreements, reports, forms) for consistency.
- Stay informed about evolving regulations domestically and internationally.
- Help educate donors, DAFs, and family offices on the value of Flow Funding — as a model that builds resilience, restores trust, and reconnects wealth with life.

 *In times of uncertainty, Flow Funding invites creativity, integrity, and kinship — transforming compliance from a constraint into a practice of care.*