

Avoid these “charitable” mistakes

You have received many charitable appeals over the years. These appeals are important: Charitable organizations depend overwhelmingly on donations from individuals (about 84% of total giving) in order to do their good—and very necessary—work.

But perhaps you have been troubled by reports suggesting that dollars raised for worthy causes don’t always reach the hands of those for whom the funds were intended. Consider the instance of a state’s suspension of a foundation that had led donors to believe that almost all the money that it raised went for programs to aid the disabled. Actually, only a small portion did.

For example, of \$775,000 raised by this foundation from donors in a certain period, only about \$55,000 went to programs. The rest went to fund-raising costs, such as telemarketing. In the space of nine months, the foundation received around \$400,000 in contributions and gave away less than \$19,000.

This case is not typical of charitable fund-raising by any means, but even one such case is one too many. Clearly, the response to such situations cannot be to stop giving to charity. You know how great the needs are. And you know and trust your own favorite charity from personal experience. But what about organizations whose track records you don’t know so well? Should you give when they write, phone or come to the door?

Perhaps—but *give wisely*.

- Wise giving starts with knowing to whom you are giving. Pay particular attention to the full name and address of the organization. There are many soundalikes. Make sure that you are giving to the one to which you actually want to give.

- Consider the extent of the appeal carefully. Make sure that the program that your money will support is clearly described and is in harmony with your own priorities. Try to find out what percentage of the amount raised actually will go to support the program. (Most legitimate charities spend more than 60% on programs.)

- Never allow yourself to be pressured, harassed or intimidated to “give immediately.” Look askance at an excessively emotional appeal.

- Realize that any items enclosed in a mailed appeal do not have to be paid for or returned unless you want to do so.

- For tax and legal purposes, keep good records of all donations that you make. Make contributions by check, credit card or money order, not cash, and make them out only to an organization, not an individual.

- If you feel that an appeal is dubious, check out the organization through your local charity registration office (usually a division of the state attorney general's office), the Better Business Bureau or online at www.guidestar.org/index.

Up-to-date national charities reports and tips for donors are available from the Better Business Bureau Wise Giving Alliance—recently formed by the merger of the BBB's Philanthropic Advisory Service and the National Charities Information Bureau. Request a copy of its quarterly Wise Giving Guide by calling (800) 575-GIVE or through the Web site at www.give.org.

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