

Clearing Up Charitable Giving¹

Lynda Spence²

Life is filled with uncertainty. When disasters or hard times arise, individuals and families often become vulnerable and experience feelings such as helplessness and confusion. After the initial shock, people begin to process the bad event or hard time. Thoughts and energies may shift from sadness and despair to action, and the good side of humanity emerges.

People start to wonder how they can help as pleas for aid share airtime with nonstop coverage of the event. Charitable organizations commence campaign drives focused on specific goals or outcomes. Print media is flooded with ads and social media platforms become saturated with appeals for support. We want to help, but how? And who can we trust?

“Take My Money”

Monetary donations are commonly the most effective means of support, especially when infrastructures collapse or resources are significantly diminished. As images of the scope of the disaster loop on TV and pleas increase, people may react impulsively to online prompts to *DONATE NOW*. Some well-wishers open their checkbooks and simply write a check. Sometimes people become so caught up in the moment that they reach for their wallets and immediately hand over cash.

It is important to stop, think, and then act, especially in times of disaster and crisis. Performing these steps out of order may not yield the desired result. At this juncture, critical thinking is essential. When we feel moved to give,

we should learn if, in fact, our hard-earned dollars are going exactly where we intended them to go.

One way to set yourself up for success is to take matters into your own hands, rather than respond to solicitation. In other words, you can choose to whom you want to donate, how much, and at what time on your own. Be proactive instead of reactive.

Think Before You Act

You have the right to know more than an organization's name and mission. The following tips are helpful to keep in mind before deciding whether to donate. You have the right to ask:

- For financial information, including a copy of the organization's IRS 990 nonprofit tax return, annual report, or a breakdown of how it spends its money.
- How your contribution will be used (Federal Trade Commission, n.d.).

Be Mindful of Phone Fraud

Phone solicitations are one way that charities raise funds. However, if someone contacts you by phone and any of the following scenarios occur, simply hang up.

- The caller refuses to provide detailed information about the organization's identity, mission, costs, and use of donations.

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2. Lynda Spence, Extension agent II, UF/IFAS Extension Marion County; UF/IFAS Extension, Gainesville, FL 32611.

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- The caller will not provide proof that a contribution is tax-deductible.
- The caller uses a name that closely resembles that of a better-known, reputable organization.
- The caller thanks you for a pledge you do not remember making.
- The caller uses high-pressure tactics, such as trying to get you to donate immediately without giving you time to think about it and do your research.
- The caller requests cash donations or asks you to wire money.
- The caller offers to send a courier or overnight delivery service to collect the donation immediately.
- The caller guarantees sweepstakes winnings in exchange for a contribution. By law, you never have to give a donation to be eligible to win a sweepstakes (Federal Trade Commission, n.d.).

Listed below are two Do Not Call Registries. Visit their websites to take action.

- Florida Do Not Call Registry: <https://www.fldnc.com/>
- National Do Not Call Registry: <https://donotcall.gov/>

Be Aware of Mail Fraud

Scammers use any resource at their disposal, including the post office. Whenever you reduce your exposure, you lower your risk of being scammed. Take action by visiting the National Do Not Mail List website (http://www.directmail.com/directory/mail_preference/Default.aspx) to remove your name from mailing lists. You can also register by mailing a letter including your name, address, and a \$1.00 check or money order to:

Mail Preference Service
Direct Marketing Association
PO Box 643
Carmel, NY 10512

Fraud can run rampant in difficult times. Scam artists take advantage of the generosity and sympathy of well-meaning individuals. Use the aforementioned resources to protect yourself.

Verify

It is up to the donor to research a group, agency, or organization and confirm that the charity is stewarding their gift appropriately. While some groups are able to direct up to 95% of a donation to their mission, others may spend the lion's share on administrative costs, including salaries. If you care enough about a cause to donate, you should also monitor the money trail. Listed below are nonprofit organizations that rate charitable organizations or collect and present accurate information about them.

Charity Navigator: <https://www.charitynavigator.org/>

According to their website, the analysts of Charity Navigator rate charities "... by evaluating two areas of performance: Financial Health and Accountability & Transparency. Our ratings show donors how efficiently we believe a charity will use their support today, how well it has sustained its programs and services over time, and their level of commitment to being accountable and transparent. We provide these ratings so that donors can make intelligent giving decisions, and so that the philanthropic community can more effectively monitor itself" (Charity Navigator, 2017).

CharityWatch: <https://www.charitywatch.org/charities>

This organization is not free, but members can find detailed rating information. Nonmembers are able to access this detailed information only for top-rated charities.

GuideStar: <https://www.guidestar.org/Home.aspx>

This source is neither a charity evaluator nor a watchdog. It is a 501(c)(3) public charity that collects, organizes, and presents information to consumers in an easy-to-understand and neutral way.

FDACS: <https://csapp.800helpfla.com/CSPublicApp/CheckACharity/CheckACharity.aspx>

Most states have measures in place to inform and protect their consumers as a public service. For Florida residents, the Florida Department of Agriculture and Consumer Services (FDACS) has set up a toll-free hotline at 1-800-HELP-FLA (1-800-435-7352). Residents can also fact-check online by visiting the Check-A-Charity page to verify registration and financial information for nonprofit organizations registered in the state. It is important to note that inactive or expired registrations will not show up. En español: 1-800-FL-AYUDA.

BBB Wise Giving Alliance: <http://www.give.org/>

The BBB Wise Giving Alliance reports on nationally soliciting charities. Among other things, this organization uses facts about a charity's governance, programs, finances, fundraising, and operations to show whether the organization meets the comprehensive Standards for Charity Accountability and help donors make informed giving decisions.

If you suspect you have been scammed, notify your financial institutions immediately and contact these three credit reporting agencies:

Equifax

1-800-685-1111

<http://www.equifax.com>

Experian

1-888-397-3742

<https://www.experian.com/blogs/ask-experian/category/fraud-and-identity-theft/fraud-alert/>

TransUnion

1-800-888-4213

<https://www.transunion.com/fraud-victim-resource/place-fraud-alert>

If You Are Scammed, Act Immediately

People are frequently too embarrassed to report that they have been tricked. They may look away, thinking there is nothing they can do. It is important to realize many different people fall prey to scams, and victims have nothing to be ashamed about. If you suspect a crime has been committed, report it immediately. Remember that more is at stake than the money you lost. By reporting misgivings (even after the fact), it is likely you will help the next victim. Contact:

- Florida Attorney General: 1-800-966-7226
- Florida Department of Agriculture and Consumer Services: 1-800-HELP-FLA (1-800-435-7352)
- Better Business Bureau: 1-703-276-0100
- National Fraud Information Center: 1-800-876-7060

Conclusion

Informed giving improves living. It is great to follow your heart, but be sure to lead with your head and employ critical thinking. Remember to stop, think, and finally act. Do your research first so you can rest assured that your donations are managed thoughtfully and with integrity.

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