

# CONSUMER ADVISORY

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## Charitable Giving

Whether you're thinking about helping others around the holidays, or you're planning ahead for tax time, the time to check out a charity is *before* you give.

### Important Questions Before You Donate

Be sure you understand the organization you are considering helping, where your donation goes, and where it doesn't go:

- Ask about the charity, starting with the name. Are you familiar with the organization, or is it simply a name that *looks or sounds like* a familiar charity? What's the organization's address and phone number? Run the charity's name—exactly as it appears or sounds—through an Internet search engine to learn more about the organization.
- What does the organization claim to do? Who does it claim to help and where do they live—are the beneficiaries local? How much of your donation goes to administrative costs or to professional fundraisers?
- Will the organization send you written information *before* you donate? It's a red flag if someone requesting a donation pressures you for an immediate contribution.
- How do charity watchdogs rate the organization? Check with [Charity Navigator](#), [GuideStar](#), the [Better Business Bureau's Wise Giving Alliance](#), or [Charity Watch](#).
- Is the person asking for a donation a volunteer or member of the organization, or a paid fundraiser? If they're a paid fundraiser, ask what percentage of your donation goes to them and what goes to the charity. Keep in mind that the law does not require professional fundraisers to forward a minimum amount of your donation to a charity. Consider donating directly to the charity or to another charity if you're not comfortable with the fundraiser's answers.
- Is your donation tax deductible? Not all contributions to "tax exempt" organizations are necessarily tax deductible. Tax exempt means the organization doesn't have to pay taxes. Tax deductible means you can deduct your contribution on your federal income tax return.

### Tips for Giving Wisely

Once you've asked the important questions above, you're clear about the organization, and you're comfortable contributing:

- Ask for and save a printed copy of your donation. Keep a record of your donation.
- Pay by check or credit card (avoid using a debit card, which grants direct access to your bank account), and request a receipt. Do not send cash, and don't give credit card or bank account information to someone on the phone you don't know.
- If someone thanks you for a previous pledge or donation that you don't recall making, be skeptical about that solicitation.
- Contact the charity to make sure the organization is aware of the fundraising effort and approves it. If a solicitor claimed donations will help local charities, call local organizations or chapters and verify the claim.
- **Bottom line: Give wisely!** Giving to a known charity you're confident about is often the best option.