

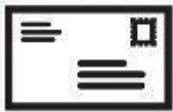
WISE GIVING™

GUIDE

BBB WISE GIVING ALLIANCE : FALL 2017

DONOR HANDBOOK

2017





A Publication of the
BBB Wise Giving Alliance

The *Wise Giving Guide* is published three times a year to help donors make more informed giving decisions. This guide includes a compilation of the latest evaluation conclusions completed by the BBB Wise Giving Alliance.

If you would like to see a particular topic discussed in this guide, please email suggestions to give@council.bbb.org or write to us at the address below.

FALL ISSUE 2017

BBB Wise Giving Alliance
3033 Wilson Blvd.
Suite 600
Arlington, VA 22201
(703) 276-0100
www.give.org

Wise Giving Guide Layout and
Production — art270, inc.

Publication No. 11-24-503

Staff members from the affiliated Council of Better Business Bureaus, Inc., provide administrative, personnel, media, accounting, information technology, legal and office services to the BBB Wise Giving Alliance.

INSIDE

2

Donor Handbook 2017

8

List of Nationally Soliciting Charities

How to Read the List of National Charities **6**

Q&A about the Wise Giving Guide **51**

National Charity Seal Program **51**

Standards for Charity Accountability **52**

BBB Wise Giving Alliance Board of Directors

Cass Wheeler – Chair

Strategic Consultant/Coach/Speaker
Georgetown, TX (former CEO, American Heart Association)

Mark Shamley – Vice Chair

President, Association of Corporate Contributions Professionals • Orlando, FL

Char Mollison – Treasurer

Senior Fellow
Center on Nonprofit Management, Philanthropy and Policy,
George Mason University • Fairfax, VA

Holly Cherico – Secretary

Director of Marketing,
Commonwealth Academy • Alexandria, VA

Bonnie Benhayon

Environmental Business Development
Bank of America • Boston, MA

Jocile Ehrlich

President & CEO
BBB/Cincinnati • Cincinnati, OH

Andras Kosaras

Arnold & Porter LLP
Washington, DC

Janice Lachance

Management Consultant, Nonprofits
(former Interim President & CEO,
BBB Institute for Marketplace Trust)
Alexandria, VA

Mary Power

President & CEO
Council of Better Business Bureaus
Arlington, VA

John Seffrin, Ph.D.

Professor of Practice
Indiana University, School of Public Health
(former CEO, American Cancer Society)
Atlanta, GA

Prabhash Shrestha

Executive Vice President and
Chief Digital Strategy Officer
Independent Community Bankers of America
Washington, DC

Jack Siegel

Charity Governance Consulting LLC
Chicago, IL

E. Miles Wilson

Director, Grantmaking and Evaluation
Marguerite Casey Foundation
Seattle, WA

Lori Wilson

President & CEO
BBB serving the San Francisco Bay Area and
Northern Coastal California
Oakland, CA

H. Art Taylor – Ex-Officio

BBB Wise Giving Alliance

BBB Wise Giving Alliance Staff

H. Art Taylor

President and CEO

Bennett M. Weiner

Chief Operating Officer

Elvia Castro

Manager, Regional Charity Reporting

Edward Loftin

Research Analyst

Brant Miller

Research Analyst

Danielle Nelson

Research Analyst

Julie A. Rizzo

Director, Development & Charity Seal Licensing Program

Shawn Van Gorder

Director, Charity Evaluation

Ezra Vazquez-D'Amico

Research Analyst

Shakila Wilson

Administrative Coordinator

president's MESSAGE

To help our readers make informed giving decisions, we devoted this issue to providing giving tips on some of our most requested topics. Sometimes we get so wrapped up in the details, we can forget the basic points to keep in mind when making donation decisions.

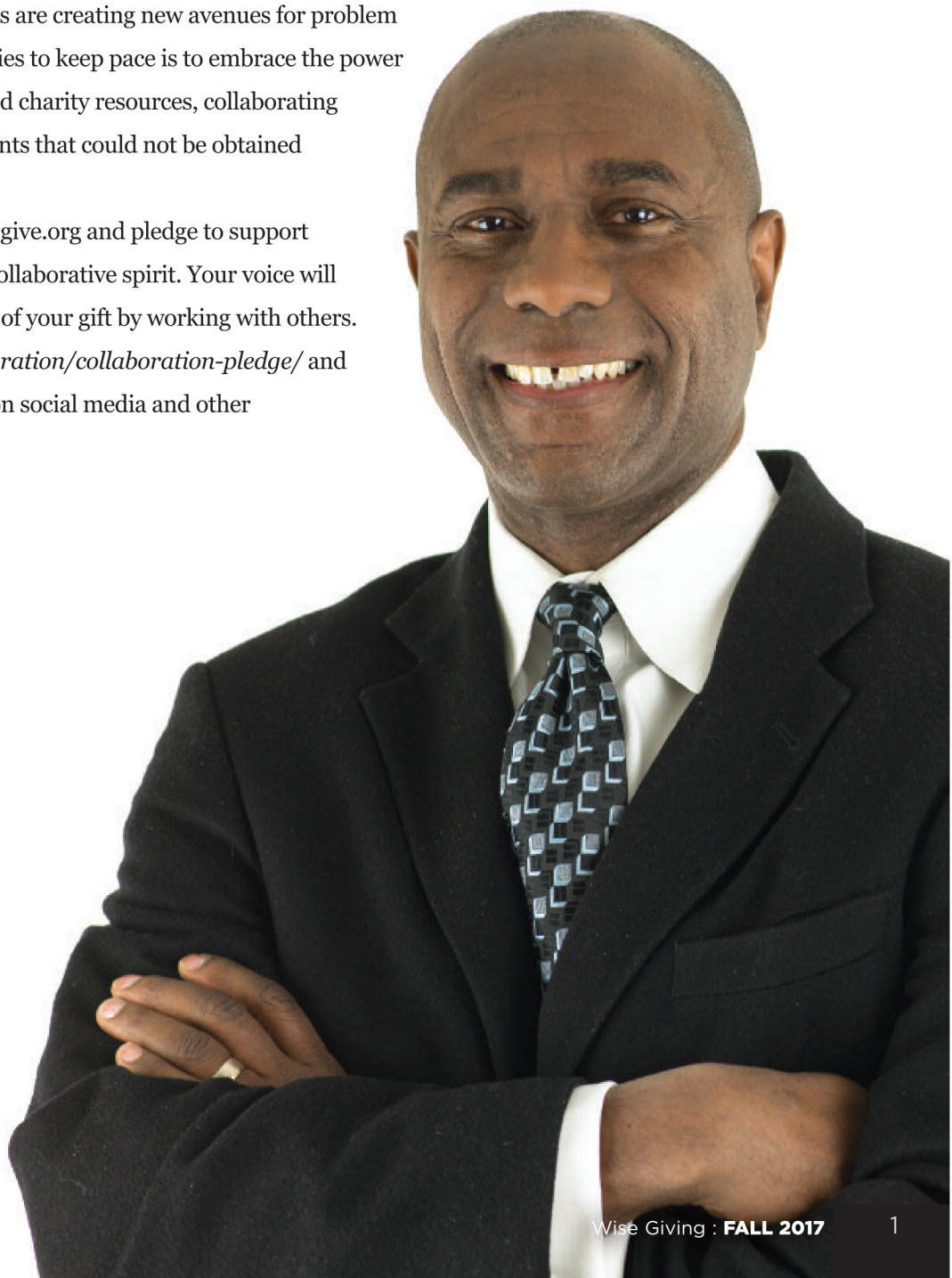
I also want to bring to your attention work we started in 2017 to encourage charities to more willingly work together to generate new and better ways of achieving their goals. Change is affecting every aspect of our lives, including the charities we support. Technologies and other breakthroughs are creating new avenues for problem solving. One important way for charities to keep pace is to embrace the power of working together. Given constrained charity resources, collaborating organizations can produce achievements that could not be obtained working alone.

If you agree, we ask that you visit give.org and pledge to support trustworthy charities that embody a collaborative spirit. Your voice will encourage charities to make the most of your gift by working with others.

Visit: give.org/advancingcollaboration/collaboration-pledge/ and download the pledge icon to share it on social media and other communications.



H. Art Taylor, *President & CEO*

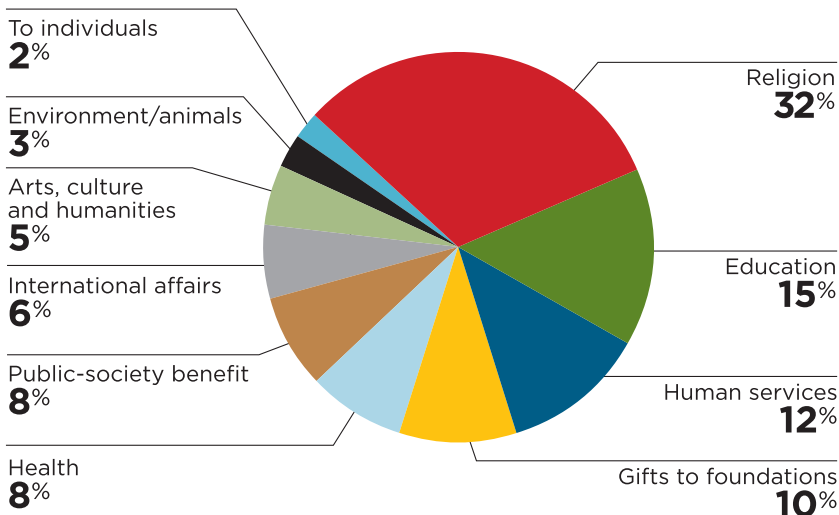


DONOR HANDBOOK 2017

\$390 Billion Donated in 2016

Giving USA, the annual summary of U.S. giving statistics researched and written by the Indiana University Lilly Family School of Philanthropy, recently released figures for 2016 giving. As reported, 2016 contributions totaled \$390.05 billion, which increased 2.7 percent over the previous year. In addition to confirming American generosity, this report reminds us each year that giving from living individuals (i.e., not including bequests) comprises the bulk (72%) of donations, followed by foundations (15%), bequests (8%), and corporations (5%).

Types of Charities That Received These Donations



Source: *Giving USA 2017: The Annual Report on Philanthropy for the Year 2016*, a publication of the Giving USA Foundation (available at www.givingusa.org)

1 Basic Giving Tips

- **Get the charity's exact name.** With so many charities, mistaken identity is a common problem. For example, thousands of charities have "cancer" in their name, but no connection with one another.
- **Resist pressure** to give on the spot, whether from a telemarketer or in-person solicitor.
- **Be wary of heart-wrenching appeals.** What matters is what the charity is doing to help.
- **Press for specifics.** If the charity says it's helping the homeless, for example, ask how and where it's working.
- **Check websites for basics.** A charity's mission, program specifics and finances should be available on its site.
- **Check with state charity officials.** In most states, charities are required to register before soliciting, usually with the office of the attorney general (or the office of the secretary of state). Check the state's relevant government website.
- **Don't assume that every soliciting organization is tax-exempt as a charity.** You can check an organization's charitable tax-exempt status at www.irs.gov/app/eos.



2 Charity Telemarketing Call Removal

Many charities raise funds using telemarketing and do so responsibly, but there are others that some donors find annoying, including the timing and frequency of the phone appeals. If you are seeking ways to reduce your charity telemarketing calls, here are some tips to keep in mind:

- **FTC's Do Not Call List Does Not Apply to Charities:** While the Federal Trade Commission maintains a "National Do Not Call Registry" at www.donotcall.gov, the registry applies to businesses but not to charities. Charities are not required to stop calling people on this "Do Not Call" listing.
- **Internal "Do Not Call" List:** If a for-profit telemarketer calls on behalf of a charity, however, you can request that the telemarketer place you on their internal "do not call" list. From that point on, the firm can no longer call you on behalf of that specific charity, but they can call on behalf of other charity clients.
- **Filing Complaints:** If, despite your request, the telemarketing firm calls again on behalf of that charity, make note of the time, date, name of the charity, name of the telemarketing firm and phone number they used. Then file a complaint with the FTC at www.ftc.gov. The more information you include in your complaint, the easier it will be for the FTC to identify and target entities for enforcement actions.
- **Pre-recorded Calls:** Regarding pre-recorded calls, FTC rules went into effect in September 2009, "prohibiting most pre-recorded telemarketing calls, known as robocalls, unless the telemarketer has the consumer's prior written authorization to transmit such calls." This prohibition on robocalls applies to for-profit telemarketing firms calling on behalf of charities.



3 Police & Firefighter Appeals

Telephone appeals on behalf of police and firefighter organizations are quite common and often receive a sympathetic ear. Keep the following tips in mind when approached to support these groups:

- **Don't assume your local force is involved.** The words "police" or "firefighter" in an organization's name does not mean your local police or firefighters are involved in any way.
- **Ask what they do.** See if the appeals specify what your donation will support.
- **"Special treatment" promises are illegal.** Don't believe the suggestion that your donation will give you special treatment from police or firefighters.
- **Telemarketing calls can be costly.** Sometimes the specified police group only gets a small amount from telemarketers, less than 10% of gross collections. If solicited by phone, ask for financial information that will enable you to check this out.
- **Don't assume your gift is deductible.** Some police groups may not be tax exempt as charities.



4 Charity Mailing List Removal

There's no way to stop *all* unwanted charity mail, but these tips can help:

- **Discard appeals that don't interest you.** No charity expects a response from everyone it solicits.
- **Write directly to charities** whose mail you don't want and ask them to delete your name from their mailing lists. Tell charities you support if you want your name removed from any lists they rent or exchange. (A BBB Charity Standard calls for charities to offer their contributors an opt-out opportunity, in its written appeals, at least once a year.)
- **Enclose the mailing label or return card** that came with an appeal when you write to ask a charity to either stop mailing or eliminate duplicate appeals.
- **Add correct postage** to any charity appeal envelope on which you've written "delete my name" or "return to sender" before you put it in the mail box. Charities' nonprofit mailing rate covers delivery to your home but doesn't pay for returns.
- **Register with the Direct Marketing Association Mail Preference Service,** www.dmachoice.org. Since not all mailers use this service, registering won't eliminate all unwanted mail but can reduce it.
- **State your preferences** about the number and timing of appeals from your favorite charities and see if they'll honor them. Many now offer automatic monthly bank withdrawal plans that replace mailings.
- **Tell the BBB WGA** if a national charity doesn't handle a complaint to your satisfaction. Send us your complaint by regular mail or e-mail and we will relay it to the charity. To meet BBB Charity Standard 20, charities must respond and act on complaints we bring to their attention.



5 Car Donations

- **Verify that the recipient organization is tax-exempt as a charity** at www.irs.gov/app/eos or ask the organization for a copy of its tax-exempt status determination letter. Churches are not required to apply for tax-exempt status and may not have such a letter or be included on the IRS site above. A car donation to a church, however, would still be deductible.
- **Check out the charity that's soliciting** or is advertised as the organization your donation will benefit. The names of well-known charities are sometimes used without permission.
- **See if the charity is registered with the government agency** in your state that regulates charities.
- **Understand deductibility details.** Most cars donated to charity are sold at auction, and the donor's tax deduction is limited to the gross proceeds from the sale. The charity must provide that amount to the donor in writing. Donors can claim the car's full fair-market value only in certain conditions, such as when a charity uses a car in its program or gives it to needy individuals.
- **Ask how much goes to the charity.** The amount a charity receives for an auctioned car varies according to its arrangement with the company hired to handle the collection and sale.
- **Check IRS guidelines** in *A Donor's Guide to Car Donations* (Publication 4303), at www.irs.gov/pub/irs-pdf/p4303.pdf. If you are claiming a car donation of over \$500, you will need to complete and attach IRS Form 8283 to your tax return. If you are claiming a car donation of over \$5,000, you will need a written professional appraisal.
- **Transfer the car's title** to the charity's name and keep a copy of this record. The title change will help you avoid potential problems if something happens to the car before it is sold (for example, it is illegally parked.)



6 Face-to-Face Fundraising

At street corners, young people with friendly enthusiasm, and clipboards or electronic tablets will seek your contributions to help the environment, animals, or needy children. As it can sometimes be hard to say no or avoid their approach, here are some tips to keep in mind:



- **Look for clothing with charity logos.** Most face-to-face fundraisers will have clothing with an official charity logo patch or a t-shirt with the charity's name.
- **Ask to see the ID card.** Responsible charities will also issue identification cards with a picture of the canvasser along with the charity's name.
- **Fact sheets should be available.** If requested, fundraisers will generally have fact sheets available that summarize information about the organization.
- **Monthly giving arrangements.** Many canvassers will encourage more than a one-time gift. They will offer a monthly contribution arrangement that will charge your credit or debit card an agreed monthly amount. This longer-term giving commitment is what makes the solicitation effort worthwhile to the charity.
- **Remember, it's okay to say no.** Giving is a personal decision and donors should not feel pressure to make an on-the-spot contribution if they need more time to consider a gift, especially if the request is for a periodic donation throughout the year.
- **Report suspicious behavior.** Be very cautious about underage fundraisers asking for charitable donations without any adult supervision. Contact the authorities if you see suspicious circumstances.
- **BBB Charity Reports are as close as your phone.** If you have a smart phone, you are a click away from using Give.org to verify the trustworthiness of a charity by finding out if our report indicates they meet the *BBB Standards for Charity Accountability*.

7 Rounding Up Your Register Bill

An increasingly popular appeal is the request to round up your bill at the supermarket or other store register and agree to donate your change to a specified charity. A study completed by Engage for Good (formerly Cause Marketing Forum) showed that a group of 77 charities generated \$390 million in 2014 through checkout-charity giving. As the round-up charity options expand, we offer the following tips to help consumers/donors decide whether to participate:



- **Charities still need your direct support.** Rounding transactions often don't result in the charity being able to follow-up with contributors or develop a longer-term relationship. For that, they would need your email, phone or address. On the other hand, some donors appreciate the anonymity of making a gift by contributing their change.
- **Don't assume the retailer has vetted the charity.** It is ultimately up to the donor to take the time to verify the trustworthiness of the selected charity. Visit Give.org to find out if the organization meets the *20 BBB Standards for Charity Accountability*.
- **Charity round-up apps.** Some new round-up activities consist of online apps that enable selected charities to receive the donation. In other instances, the app may only release funds to a charity when purchases result in a gift that reaches a certain level, such as \$5. Keep in mind that the app may charge fees for the donation transaction as well.
- **Be wary of excessive pressure** to donate, even at the checkout register.