

Giving Wisely

Helping Michigan Citizens Be Savvy Donors

Charities Need YOU!

Throughout the year, requests for charitable donations come from your local food bank, symphony, pet shelter, environmental group, or any one of hundreds of local charities. Requests also come from worthy national and international charities. The appeals have a common theme – your support is needed now more than ever.

Surveys show that monetary donations to charities are decreasing, while demand for services continues to grow ever larger. Organizations are doing more with less, and are feeling the strain of trying to serve the critical needs of Michigan's children and families and also to reach out when disasters occur in other parts of the world. Many need help urgently if they are to continue their charitable work.

Michigan citizens are generous, but the challenges facing many families make it more important than ever to make careful, wise choices about which charities to support and how best to support those organizations.

Two Important Ways to Give

- Provide monetary support to organizations you know will be efficient carrying out their charitable work – carefully choosing those with missions you wish to support.
- Get involved directly with local charities by volunteering – spending time helping the organization carry out its charitable work and being advocates for their causes.

Issues to Consider When Giving Money

- **What are the organization's purposes and programs?** Choose a charity with a mission that matches your own passions – a charity that can point to specific goals and programs they are sponsoring to fulfill their stated mission. This information should be prominently featured in all of the group's fundraising appeals and should match your goals as a donor. Check the organization's website, their annual report and other financial information to be sure they are doing work you wish to support.
- **How much of your donation will go towards programming rather than administrative and fundraising expenses?** Charities use donations not only to carry out their charitable programs, but also to pay necessary costs of operating the organization and raising funds. Ask questions to make sure the charity is making wise decisions in expending funds. Some fundraising companies, especially telephone solicitation companies, retain very large commissions and share only a small portion of donations with the charity. There is no set percentage of how much an organization should spend on overhead, but you should discover what percentage of your donation will go to carry out the programs you wish to support.
- **Is your donation tax deductible?** Only donations to 501(c)(3) charitable nonprofit organizations are deductible on your personal income tax form as charitable donations. While providing support to individuals for medical expenses or costs of survival may be charitable acts, they are not considered charities under Michigan or federal law. Ask if the organization has received tax-exempt status from the IRS. For more information, visit www.irs.gov/charities.
- **Does the organization have measureable goals?** Ask about the organization's recent accomplishments and what its goals are for the coming years. You may want to ask the organization for its IRS Form 990, or you can find the Forms at www.guidestar.org or www.nccs.urban.org. This form gives detailed information about the organization's operations and finances. Call the Michigan Attorney General's Charitable Trust Section to ask for specific financial information. If it is a local charity, visit to learn more about the effectiveness of their programs.

- **Is the organization licensed to solicit funds from the public?** Under Michigan law, most charities must be licensed before they solicit funds. To find out if a charity is licensed, visit www.michigan.gov/ag and click on the Charities hotlink. If an organization is not listed or you would like more information, contact the Attorney General's office at (517) 373-1152 or ct_email@michigan.gov.

Don't Just Hand Over the Money - Tips for Making a Donation

- Make contributions by check payable to the organization so you have a record of your donation. Never write checks to an individual.
- Ask for and keep receipts from the organization indicating how much you donated, the date and its intended use.
- For online donations and donations made through social media or text messaging, ask how much of your donation will be retained by companies receiving and processing the donation. Read the fine print or ask the charity.
- Never give credit card numbers or other personal information to a solicitor who has called you. Use caution when donating online or by telephone. Ask the organization how it will use and safeguard your information. For more, read the Attorney General's Consumer Alert on ID Theft at <http://bit.ly/AGIDTheft>
- When donating online, check to see that you are using a secure site, but even secure sites can be "spoofed" by scammers. For more information, see the Attorney General's Consumer Alert on "phishing" at <http://bit.ly/AGPhishing>
- Do not support scams! While the vast majority of charities are wonderful, conscientious organizations, there are always the few charitable scams. For detailed information on how to identify scams, see the "Wise Charitable Giving" brochure on the Attorney General's website at <http://bit.ly/AGWiseGiving>

Issues to Consider When Volunteering Your Time and Talents

When deciding to volunteer for a charity, ask the same questions and consider the same issues as you would to make a monetary donation, but there are some other specific considerations.

- Do you have specific skills that would be especially valuable to the charity?
- Are the staff and volunteers people you would enjoy working with?
- Does the amount of time and the time periods you can work match with jobs that need to be performed for the charity?
- Do you know others who have volunteered for the charity? What were their experiences?
- Can you make a long-term commitment, or is it better to volunteer for a short-term project.

Charities want and need committed volunteers. Wise charities know that donated time and donated money go hand-in-hand to create an efficient charitable program.

