

Before giving to a charity

If you are considering a request for a donation to a charity, do some research before you give. By finding out as much as you can about the charity, you can avoid fraudsters who try to take advantage of your generosity. Here are tips to help make sure your charitable contributions are put to good use.

Signs of a charity scam

These days, charities and fundraisers (groups that solicit funds on behalf of organizations) use the phone, face-to-face contact, email, the Internet (including social networking sites), and mobile devices to solicit and obtain donations. Naturally, scammers use these same methods to take advantage of your good will. Regardless of how they reach you, avoid any charity or fundraiser that:

- Refuses to provide detailed information about its identity, mission, costs, and how the donation will be used.
- Will not provide proof that a contribution is tax deductible.
- Uses a name that closely resembles that of a better-known, reputable organization.
- Thanks you for a pledge you do not remember making.
- Uses high-pressure tactics like trying to get you to donate immediately, without giving you time to think about it and do your research.
- Asks for donations in cash or asks you to wire money.
- Offers to send a courier or overnight delivery service to collect the donation immediately.
- Guarantees sweepstakes winning in exchange for a contribution. By law, you never have to give a donation to be eligible to win a sweepstakes.
- one way to learn about its reputation.
- Call the charity. Find out if the organization is aware of the solicitation and has authorized the use of its name. The organization's development staff should be able to help you.
- Call the Department of Financial Institutions to find out if the charity or fundraiser is registered in Wisconsin.
- Check if the charity is trustworthy by contacting the Better Business Bureau's (BBB) Wise Giving Alliance, Charity Navigator, Charity Watch, or GuideStar.
- Ask if the caller is a paid fundraiser. If so, ask:
 - The name of the charity they represent.
 - The percentage of your donation that will go to the charity.
 - How much will go to the actual cause to which you are donating.
 - How much will go to the fundraiser.
- Keep a record of your donations.

Charity checklist

Take the following precautions to make sure your donation benefits the people and organizations you want to help:

- Ask for detailed information about the charity, including name, address, and telephone number.
- Get the exact name of the organization and do some research. Searching the name of the organization online – especially with the word “complaint(s)” or “scam” – is

- Make an annual donation plan. That way, you can decide which causes to support and which reputable charities should receive your donations.
- Visit the Internal Revenue Service (IRS) webpage, www.irs.gov, to find out which organizations are eligible to receive tax deductible contributions.
- Know the difference between “tax exempt” and “tax deductible.” Tax exempt means the organization does not have to pay taxes. Tax deductible means you can deduct your contribution on your federal income tax return.
- Never send cash donations. For security and tax purposes, it is best to pay by check – made payable to the charity – or by credit card.
- Never wire money to someone claiming to be a charity. Scammers often request donations to be wired because wiring money is like sending cash: once you send it, you cannot get it back.
- Do not provide your credit or check card number, bank account number or any personal information until you have thoroughly researched the charity.
- Be wary of charities that spring up too suddenly in response to current events and natural disasters. Even if they are legitimate, they probably do not have the infrastructure to get the donations to the affected area or people.
- If a donation request comes from a group claiming to help your local community (for example, local police or firefighters), ask the local agency if they have heard of the group and are getting financial support.
- What about texting? If you text to donate, the charge will show up on your mobile phone bill. If you have asked your mobile phone provider to block premium text messages – texts that cost extra – then you will not be able to donate this way.

Reduce telemarketing

The No Call list gives you a way to reduce telemarketing calls, but it exempts charities and political groups. However, if a fundraiser is calling on behalf of a charity, you may ask not to get any more calls from, or on behalf of, that specific charity. If those calls continue, the fundraiser may be subject to a fine.

Emotional appeals

Always consider your individual interests and concerns when deciding which organizations to support. Pictures of hungry children, shocking statements, and celebrity endorsements are often used to get attention. There is nothing wrong with an organization using these approaches, but consumers need to maintain control. Judge the cause on its merit, rather than its emotional appeal.

Misrepresentations

Contributions may be solicited on behalf of an organization by someone who is not affiliated with

the group and has no intention of turning over any money to it. When in doubt, ask for identification from the solicitor and printed, verifiable information about the organization. Be sure to write any check to the organization and not to the individual soliciting. **NEVER** contribute in cash or send cash through the mail. If you are unsure about donating in response to a mail, telephone, or door-to-door solicitation, an alternative would be to find a local charity doing work you approve of, and donating directly to it.

Registration requirements

Under state law, most organizations soliciting for charitable donations in Wisconsin must register and file an annual report with the state Department of Financial Institutions.

Religious and veteran organizations are exempt from registration. To verify if the charity is registered, contact the Department of Financial Institutions at 608-267-1711 or online at <http://www.wdfi.org/>

Checking lets you know if the charity is in compliance with Wisconsin’s registration requirement. State law also requires that charitable solicitations must disclose the true name of the charity, its actual location, and its primary purpose. However, the state cannot regulate how an organization uses its money.

An extremely high percentage of your contribution may be used for salaries and fund-raising costs, and little for the actual cause. The fact that a charity is registered

does not necessarily mean that it should receive your donation.

Additional information about charities can be obtained from the Better Business Bureau

(800) 273-1002 and on the web at www.give.org

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

**Bureau of Consumer Protection
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