CONSUMER ADVISORY

November 2012 By Attorney General Tom Miller

Giving Wisely: A Guide to Charitable Giving and Avoiding Charity Fraud

You want to do the right thing by helping people in your community, people in our state, or maybe even people who are far away. But what you don't want to do is help those who prey upon generous givers.

Most legitimate charities solicit donations honestly and use their donated resources wisely. Many of these charities solicit donations through their own staff members or volunteers, and some use professional fundraisers.

Questionable charities and questionable professional fundraisers may mislead donors, divert funds from more effective charities, and shortchange genuine charitable operations. While there are legitimate professional fundraisers that fill a need, some questionable fundraisers may divert 80% to 90% of your donations through fundraising expenses, and that's at the expense of the people you're trying to help.

Follow these tips to protect yourself from fundraising and charity abuses:

- **Don't be fooled by a sympathetic name.** Some operations use names that promise more than they deliver. Many causes clearly deserve generous public support, including veterans, law enforcement and fire fighters, but some marginal operations claim connections with such groups yet provide them with very little support. Contact your local sheriff or police or fire department or veterans' organization to check out claims that a donation "will be used locally." If a charity's name sounds similar, but not identical, to a charity you're familiar with, contact the charity you know to check it out.
- **Ask questions.** Be wary of claims that the caller is a charity worker or volunteer, that most of your donation goes to the cause, or that your donation will be used locally. Some charities hire professional fundraisers that collect fundraising fees from donations. Ask the caller if he or she is a volunteer or a professional fundraiser. If it's a professional fundraiser, ask how much of your donation actually goes to the charity. If you're dealing with the charity directly, ask how much of your donation goes toward administrative expenses. If you don't get straight answers, don't give.
- **Ask phone solicitors to send written information.** Check out the charity *before* you make a decision. Be suspicious if they insist on a pledge before they'll send you information. Check them out at the national Better Business Bureau "Wise Giving Alliance" site – www.give.org or check with http://www.charitynavigator.org.
- **Say no to high-pressure solicitors.** They're likely not working on behalf of a legitimate charity or professional fundraiser. If they offer to send someone to pick up your donation, ask you to use an overnight service or request you to wire your donation, tell them no.
- **Be wary of solicitors thanking you for past contributions you don't recall.**
- **Don't give your credit card or checking account numbers over the phone to someone you don't know.** Resist high-pressure pitches to give now. Trust your instinct if something doesn't seem right.
- **Bottom line: Give wisely!** Giving to a known charity you're confident about is often the best option.

To file a complaint or get more information, contact the Iowa Attorney General's Consumer Protection Division, Hoover Bldg., Des Moines, IA 50319. Call 515-281-5926, or toll-free to 888-777-4590. The website is: www.IowaAttorneyGeneral.gov.