

Giving Wisely

*Helping Michigan Citizens
Be Savvy Donors*



Michigan Nonprofit Association

www.mnaonline.org



www.michigan.gov/ag

(517) 373-1152



www.michiganfoundations.org



<http://www.umich.org>

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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 national and international charities that fulfill needs both here in the United States and around the world. 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 from those organizations continues to grow ever larger. Organizations are doing

more with less, and they are feeling the strain of trying to serve the critical needs of Michigan's children and families and 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 and wise choices about which charities to support and how best to support those organizations.

Two Important Ways to Give

- Provide monetary support whenever possible 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 and spending time helping an organization carry out its charitable work.

Issues to consider when giving money

What are the organization's purposes and programs?

All charities have a specific charitable mission and provide programs and services to carry out that mission. Choose a charity with a mission that matches your own passions; a charity that can point to specific goals and programs it is 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.

How much of your donation will go towards programming rather than administrative and fundraising expenses?

Charities use your donations not only to carry out their charitable programs, but also to pay for administrative costs and fundraising. While administrative and fundraising costs are a necessary part of operating an efficient charitable program, ask questions to make sure the charity is making wise decisions. Some fundraising companies, especially those that raise funds over the telephone, retain very large commissions and share only a small portion of donations with the charity. It is smart to ask a charity what percentage of your donation will directly support programming so you understand how your money will be used. Consider visiting www.michigan.gov/agcharitysearch and the Better Business Bureau, www.bbb.org/us/charity/, for more information.

Is the donation tax deductible?

Only donations to 501(c)(3) nonprofit organizations are deductible on your personal income tax form as charitable donations. Ask if the organization has received this tax-exempt status from the IRS and ask if the donation is eligible for other tax credits. For more information, visit www.irs.gov/charities.

Is the organization good at what it does?

Ask about the organization's recent accomplishments and what its goals are for the next year or two. Make sure that an established organization has a successful track record. Consider asking the organization, or visiting www.guidestar.org, to review the organization's IRS Form 990 for the most recent tax years to learn more about the organization's operations and finances. Call the Michigan Attorney General's Charitable Trust Section to ask for specific financial information, or obtain a report on the charity by going to www.michigan.gov/agcharitysearch. If it is a local charity, visit to learn more about the effectiveness of their programs.

Is the organization registered to solicit funds from the public?

Under Michigan law, most charities must be registered before they solicit funds. To find out if a charity is registered, visit www.michigan.gov/agcharitysearch. 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 to check up on the organization.

Don't Just Hand Over the Money - Tips for making the actual donation

- Make your contribution by check or credit card so that you have a record of your donation.
- Make the check payable to the organization, never to an individual.
- Ask for and keep receipts from the organization indicating the amount of your donation, the date and its intended use.
- Don't give your credit card numbers or other personal information to someone unsolicited who has called you. Also, use caution when donating by telephone or online unless you independently verify the organization contacting you. If you are concerned, ask the organization how it will use your donation and safeguard your information. For more information, see the Attorney General's Consumer Alert on ID Theft at http://www.michigan.gov/ag/0,4534,7-164-34739_20942-230557--,00.html
- When donating online, check to see that you are using a secure site for financial transactions - one starting with an "httpS://" (not "http://"). Even secure sites can be "spoofed" by scammers – for more information, see the Attorney General's Consumer Alert on "phishing" at http://www.michigan.gov/ag/0,1607,7-164-34739_20942-151331--,00.html
- Avoid supporting scams. While the vast majority of charities are wonderful, conscientious organizations, a few are scams. For detailed information on how to identify scams, see the "Giving Wisely to Charity" brochure on the Attorney General's website at http://www.michigan.gov/documents/ag/Wise_Charitable_Giving_FINAL_9-20-11_366831_7.pdf

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 staff members and other 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. Go to: www.mivolunteers.org