



eGiving

In our last newsletter, we covered ways to make sure your charitable donations benefit the people and organizations you most want to help. Those recommendations focused on gifts made by check or cash; however, eGiving is a rapidly growing method of charitable giving, and requires additional safeguards.

Minnesotagiving.org has published a helpful list of eGiving tips:

- ✓ Give through a charity's own website, if one exists. Contact your favorite nonprofits to see if they operate their own websites and accept online donations; if they do, you know your donation will go directly to the organization.
- ✓ Verify who is behind websites that process donations for multiple charities. Learn what you can about who is running the site, their background, and why they're involved with the site. If the site is run by a 'for-profit' entity, find out how they plan to earn revenue from the site. If you can't find this information easily on the site, that should raise a red flag. If you're not familiar with the organization running the site, do more research before donating – just as you would with an "offline" donation.
- ✓ Find out what percentage of your online donation goes to your designated charity, and decide for yourself if the figure is reasonable. eGiving sites vary widely in how much of a fee, if any, they subtract from your donation before sending it on to your selected charity -- the fee can range from 0% to as much as 20% of a donation. If you can't easily find this information on the site, that should raise a red flag.
- ✓ Consult a tax advisor about the deductibility of your online donation. eGiving is a relatively uncharted area of tax law. According to the Chronicle of Philanthropy, charitable gifts made via sites run by nonprofit organizations will probably qualify for deductions, but the IRS has not issued any formal guidance about donations made through a site run by a 'for-profit' company. Some for-profit giving sites are trying to get around any potential problems by arranging for nonprofit organizations to accept donations for them. If you buy goods at a charity shopping site, you often cannot deduct the charitable contribution that results from your purchase.
- ✓ Contact the nonprofit recipient of your online donation before making the gift, to verify that the organization is comfortable with receiving donations from a particular site. Some eGiving sites list nonprofits without their prior knowledge or consent, and a charity may not even be aware that a site is accepting donations on its behalf.
- ✓ Know your rights. The Association of Fundraising Professionals developed an "E-Donor Bill of Rights" to identify what donors should expect and demand when making an online charitable gift.

We also found some additional tips published by ePhilanthropyFoundation.org that are worth noting:

- ✓ Make sure the charity's website uses encryption technology for online donations. Before providing any confidential information (i.e., credit card number, personal identification data, etc.), verify the submission page is secure (encrypted). The letters https:// - rather than http:// - should precede the page's URL and/or there should be an unbroken key or padlock symbol located in the corner of your web browser. If in doubt, contact the charity by telephone or by email before you provide the information online.
- ✓ Check for a privacy policy that specifies what information is collected, who has access to it, how you can remove and update information, and how the charity plans to use it.
- ✓ Print and keep a copy of the final confirmation screen that appears after you make your gift, as well as the confirmation email. If you don't receive an email confirmation (and in most cases, a confirmation by mail as well), contact the charity to make sure they received your gift. Avoid donating to that charity online again until you are certain they have brought their online policies in line with these tips.
- ✓ Look for contact information -- a reputable charity will provide several contact methods in case you have questions or problems.

And last but not least, register a complaint if needed. If you believe an organization may not be operating for charitable purposes, is making misleading solicitations, or is ignoring your request to be placed on a "do not call" list, contact your state Attorney General or the Federal Trade Commission (FTC). The FTC works for the consumer to prevent fraudulent, deceptive and unfair business. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call 1-877-382-4357.

We hope you find your charitable giving, both offline and/or online, a rewarding experience. Armed with the appropriate check lists and some due diligence, you can make sure your charitable dollars have the most impact on the organizations and causes that are most important to you.

-- Karen O'Brien. Posted 08/15/07.