

DONATION TIPS FOR SUPPORTING VETERANS



Two million veterans call California their home. While donors often think their gift will directly benefit veterans living in California, that often is not the case.

Some facts about those fundraising appeals:

- Just because a charity includes the word “veteran” in its name doesn’t mean that veterans are members of the group, or that veterans or their families will benefit from your donation. Nor does it mean the charity is affiliated with the Veterans Administration.
- Do not assume that a charity is properly managed because it is staffed by veterans or has veterans on its board of directors. Charities may include veterans on their board of directors, on their advisory boards, or as officer or staff personnel. This does not necessarily mean that veterans make decisions how the money will be spent.
- A national charity may not fund any program benefitting veterans in California. Consider giving to charities in your community whose programs you can see, support, and monitor.
- Watch out for name confusion. Many veterans charities use similar-sounding names. Sometimes this is done to create brand confusion or false affiliation to create an illusion of legitimacy. Other charities use dba names to confuse donors; the same donors are hit with solicitation requests by the same organization using different names. Make sure you donate to the charity of your choice.
- A charity should have written information about what it does and how your donated funds will be used. Be skeptical if you ask for written information and the charity or its fundraiser is reluctant to provide it, or asks for a commitment to donate before doing so.



Before you give, check out the charity

- Charities and their fundraisers **must be registered** in California with the Attorney General’s Registry of Charitable Trusts and **must provide annual reports**. Use the Attorney General’s website to research registered charities. Go to <https://oag.ca.gov/charities> , under **Resources & Tools**, click on **Registry Verification Search**. If a charity is not listed, it should not be soliciting funds in California. If it is listed, you can view its financial reports, including the IRS Form 990 that the charity is required to file with the Registry.
- IRS Form 990 provides basic information about how much a charity spends on its charitable programs, administration, and fundraising. A cursory review of the IRS Form 990, however, may not tell the full story. For example, if a charity checks the box for “Joint Costs” in its Statement of Functional Expenses, that means it claims that some money it spent fundraising is also part of its charitable programs. Some charities abuse this joint cost allocation to make themselves look efficient while hiding high fundraising costs. Publications relating to “Joint Costs” are available on the Attorney General’s Website at <https://oag.ca.gov/charities>, under **Resources & Tools, Registry Publications**.
- Donating Goods. Find out how the charity benefits from the collection and resale of these gifts-in-kind. Some charities sell donated goods at a fixed price and receive very little for the items. Other charities use the donated items as pass-through gifts to other charities. Beware that some charities inflate the value of donated items on their IRS Form 990 to create the appearance of significant program expenses or revenue. Publications relating to “Gifts in Kind” are available on the Attorney General’s website at <https://oag.ca.gov/charities> under **Resources & Tools, Registry Publications**.
- “Free” gifts cost the charity money. If a charity sends you t-shirts, tote bags, pen sets, calculators or other expensive items, it may be using donated funds to purchase them, which means the charity has less to spend helping veterans. In fact, your donation may do little to support the charity’s program, and instead primarily benefit the for-profit companies that market and mail the gifts to donors on behalf of the charity.

INVEST WISELY!



Remember – your donation is an investment in the charity and its programs.

Questions to ask:

- Does the charity
 - Provide a clear and solid description of its charitable program?
 - Explain exactly how it helps veterans?
 - Quantify how many veterans are actually benefitting from its programs and how your donation is being used?
- How much of your donation will be spent on “*direct program*” expenses directly benefitting veterans with grants as opposed to “public education” or “fundraising” expenses or “administrative” expenses?
- Is your contribution tax-deductible? Not all donations are tax-deductible, including those to associations formed to benefit members.

- Most telephone solicitations are made by for-profit companies hired by the charity, which means that some of your donation is used to pay the telemarketers. If you receive a telephone solicitation:
 - Ask if the caller is a volunteer or paid fundraiser.
 - Ask what percentage of your donation will go to the charity and what percentage will be paid to the fundraiser. Solicitors are required to provide this information during the phone call if asked.
- Protect your privacy. Ask the charity if your personal information (name, address, telephone number) is shared with other charities. Charities often buy and sell donor lists. Demand that the charity protect your privacy if you do not want your personal information shared.
- If you do not want to receive solicitations, ask the charity and its fundraiser to remove your name, address, and telephone number from their mailing or solicitation list. Keep a written log noting the date you made each request.
- Never give credit card or bank account information before you have reviewed all of the information about the charity and made a decision to donate. If writing a check, make it ***payable to the charity*** so you have a record of your donation.
- Some unscrupulous fundraisers will falsely claim that you previously agreed to donate or have donated to them in the past. If you don't recognize the charity's name or don't remember making a pledge, don't give. You also have the right to change your mind even if you agreed to donate. Coercive, abusive and harassing tactics when soliciting donations is illegal in California. Don't feel pressured to make a donation "on-the-spot." Give yourself time to research and decide if this is really the organization that most closely fulfills the cause you want to support. Well-established charities will welcome your donation whenever you are ready to send it.

***IT'S YOUR MONEY. YOU DON'T HAVE TO GIVE.
DON'T DONATE IF...***

- You feel uncomfortable or pressured to give.
- The solicitor says there is an urgent need for an immediate donation. Charities should be willing to accept your donation whenever you want to send it.
- The solicitor wants to send someone to pick up your donation.
- The solicitor won't answer your questions or refuses to send you written materials describing the charity's programs/finances until after you have committed to donate.
- The solicitor becomes angry or threatens you.

To file a complaint about a charity or fundraiser with the California Attorney General's Office go to: <https://oag.ca.gov/charities> and click on the complaint form.