

FUNDRAISING APPEALS FOR VETERANS CHARITIES

Californians are generous contributors to charity and are more likely to make a donation to veterans, firefighter, and law enforcement organizations than to any other kind of fundraising appeal. While donors often think their gift will directly benefit these groups, that often isn't true.

Here are some facts about those appeals:

- ☐ Just because a charity includes the words “veterans” or “military” in its name does not mean that veterans are members of the group. Nor does it necessarily mean that veterans or their families will benefit from the money you donate. Unscrupulous people attempt to exploit sympathetic causes because they know people are more likely to donate to them.
- ☐ A charity should have written information about what it does and where your donated funds will be used. Be skeptical if you request written information and the charity or its fundraiser is reluctant to provide it, or asks for a commitment to donate before doing so.
- ☐ “Free” gifts cost the charity money. If a charity is sending you t-shirts, tote bags, pen sets, calculators and other expensive items, other donors’ money is being to purchase them, which means the charity has less to spend helping veterans. In fact, your donation may do very little to support the charity’s program purpose itself, and instead will primarily benefit the for-profit companies that market and mail the gifts on behalf of the charity.
- ☐ Charities and the fundraisers who solicit on their behalf in California must be registered with the Attorney General’s Registry of Charitable Trusts before soliciting in California.

Before you give, check out the charity.

- ☐ Do not give to a charity you know nothing about. Before making a donation, ask for written information about the charity’s programs and finances. Consider giving to charities in your community whose programs you can see.
- ☐ Do your own research: Log on to the Attorney General’s website for access to the database of registered charities <http://rct.doj.ca.gov/MyLicenseVerification/Search.aspx?facility=Y>. If a charity is not listed in that database, it should not be soliciting funds in California. If it is listed, you will be able to view the financial reports, including IRS Form 990, it is required to file with the Registry of Charitable Trusts. *Independent* research is important because the financial filings consist solely of information provided by the reporting charity.
- ☐ Learn how to read a 990 <http://www.npcny.org/new990/new990.htm> to help you understand how the charity is spending the funds it receives. The 990 can provide you some basic information about how much a charity spends on its charitable programs and fundraising costs. Even the 990 may not tell the full story though. If a charity checks the box for “Joint Costs” that means it is claiming that some of the money it spent fundraising is part of its charitable programs. Some charities abuse this to make themselves look more efficient while hiding their fundraising costs.

- ☐ Watch out for name confusion. Many veterans' charities use very similar-sounding names. Just because a charity includes the term "veteran" in the name does not necessarily mean the charity is affiliated with, benefitting or even working with veterans, or the Veterans Administration. Make sure you are donating to the charity of your choice.
- ☐ Do not assume that a charity is properly managed just because the charity claims it is staffed by veterans or has veterans on its board of directors. Charities will often have large boards of directors or advisory boards, or include veterans as part of their personnel. This does not necessarily mean that veterans are involved in making decisions about how the money will be spent.
- ☐ 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.
- ☐ Donating Goods. Find out how the charity benefits from the collection and resale of these gifts-in-kind. Some charities may sell donated goods at a fixed price and receive very little for the items. Other charities may use the donated items as pass-through gifts to other charities. Beware that some charities may inflate the value of donated items on their IRS Form 990 to create the appearance that they have significant program expenses or revenue.

Questions to ask:

- ☐ Does the charity
 - provide a clear description of its charitable program?
 - explain exactly how it helps veterans?
 - quantify how many veterans are benefitting from its programs and where your donation is being used?
- ☐ How much of your donation will actually support the charity's programs; that is, how much of your donation will be spent on "*direct* program" expenses 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 portion of your donation will be used to pay the telemarketer. 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 identity (name, address, telephone number) is being shared with other charities. Demand that the charity protect your privacy if you do not want your personal identity shared.
- ☐ If you do not want to receive solicitations in the future, 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 when you made each request.
- ☐ Never give credit card or bank account information before you have reviewed all of the information about the organization and made a decision to donate. If writing a check, always 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 organization 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.

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

DON'T MAKE A DONATION IF...

- ☐ You feel uncomfortable or pressured to give. It's okay to hang up the phone or toss out solicitation materials you receive in the mail.
- ☐ 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: ag.ca.gov/contact/complaint_form.php. [link]

Remember – your donation is your investment in the charity and the charity's programs. INVEST WISELY!