

## Charities' Appeals Cry Out for a Plan

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Retailers aren't the only ones counting on your holiday spirit to put them in the black. So are charities.

Half of all the individual donations from Americans each year are made in the handful of weeks between Thanksgiving and New Year's Eve, experts said. Thank the combination of general good will, holiday bonuses and the end-of-year deadline for tax deductions.

Charities, squeezed by rising costs and greater competition for government grants, are more eager than ever to get your support. Don't be surprised if you get appeals by mail, on the telephone and at your door.

"They're aggressively campaigning this holiday season," said Trent Stamp, president of Charity Navigator, a New Jersey-based watchdog that rates non-profits. "This is make-or-break time."

If you plan to give, experts say, you'll want a game plan. In a world with many deserving charities, why pick one that won't spend your money wisely?

**RESEARCH BEFORE WRITING THAT CHECK.** There's lots of information available online for the discerning would-be philanthropist.

Charity Navigator ( [www.charitynavigator.org](http://www.charitynavigator.org) ) rates 5,300 non-profits, based on efficiency and financial health. Of those, the average charity spends nearly 80 percent of its budget on programs and services, with the rest going to administrative and fundraising costs.

GuideStar ( <http://www.guidestar.org> ) has the financial information charities file with the Internal Revenue Service, if you'd like to see how a particular non-profit spends its money.

George Ruotolo Jr., chairman and chief executive of Ruotolo Associates Inc., which helps nonprofits

raise money, said people donating at the end of the year tend to give to groups they've supported in the past. Still, he said, "There's nothing wrong with them re-evaluating a charity."

**EXAMINE THE NAME.** There are a lot of similarly named charities, said Rick Morris, director of the charities and legal services division for the Maryland secretary of state. "We hear from people often that they thought they were giving to one organization and they were actually giving to another," he said.

**THINK TWICE BEFORE GIVING BY PHONE.** Because the National Do Not Call Registry exempts charities, the telemarketers who once sold time shares and chimney sweeping have turned to fundraising for non-profits. But much of the donated money will end up with the for-profit telemarketing companies rather than the charities, Stamp said.

"They're going to keep 65 to 95 cents on the dollar," he said. "We just tell people not to give over the phone at all. It's just not worth it. ... You can cut out the middleman and go directly to the charity."

**TAX EXEMPT IS NOT THE SAME AS TAX DEDUCTIBLE.** All charities are non-profits, but not all non-profits are charities. Trade groups, political advocacy organizations and even some police and fire service groups are exempt from paying taxes without also being eligible for tax-deductible donations. Look for the 501(c)3 designation -- that's the most common sort of non-profit that will give you the option to deduct.

**IT IS EASIER TO GIVE A DONATION AS A HOLIDAY GIFT.** More non-profits are offering online options to make a gift in someone's name. The charity sends a card to the recipient and a receipt to you for the tax deduction.

Stamp notes that you can also buy charitable gift cards from sites such as Bethesda, Md.-based Network for Good (NetworkForGood.org), which allow recipients to choose charities to give the money to. Network for Good, which dubs them "Good Cards," said it has more than 1 million charities on its list.

**CONSIDER THE CAUSE.** [Rick Cohen, national correspondent for The Non-profit Quarterly and a former director of the National Committee for Responsive Philanthropy, takes a dim view of](#)

charities that are not very charitable -- hospitals that do little to help low-income patients, for instance. He thinks donors ought to ask whether a charity focuses its efforts on the poor, the elderly, the disadvantaged or disenfranchised.

"People who need it," Cohen said, "as opposed to those who don't." If your criterion is a broader

"helping society," you'll still get a range of truly charitable groups, from ones battling disease to those teaching adults to read.

Individual donations are sometimes small, but together they play a critical role in furthering charitable work.

Grants from foundations and government agencies are often for specific programs run by a charity, not for the basic expenses of keeping that charity -- and therefore the programs -- alive and well.

Donations from regular folks tend "to be one of the few sources of unrestricted funding, core operating funding, that charities receive," said Peter Berns, executive director of the Maryland Association of Non-profit Organizations.

"It is a very important type of support," he said.

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