

# FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

## FTC Charity Checklist

Thinking about donating to a charity? The Federal Trade Commission (FTC), the nation's consumer protection agency, recommends taking these precautions to ensure that your donation dollars benefit the people and organizations you want to help. They're sensible practices whether you're solicited by an organization's employees, volunteers, or professional fundraisers by phone, mail, email, or in person.

- Don't be shy about asking who wants your money.*** Some charities hire professional fundraisers for large-scale mailings, telephone drives, and other solicitations rather than use their own staff or volunteers, and then use a portion of the donations to pay the fundraiser's fees. If you're solicited for a donation, ask if the caller is a paid fundraiser, who they work for, and the percentage of your donation that will go to the charity and to the fundraiser. If you don't get a clear answer — or if you don't like the answer you get — consider donating to a different organization.
- Call the charity.*** Find out if the organization is aware of the solicitation and has authorized the use of its name. If not, you may be dealing with a scam artist.
- Ask for written information*** about the charity, including name, address, and telephone number.
- Contact the office that regulates charitable organizations and charitable solicitations in your state*** to see if the charity or fundraiser must be registered. If so, check to make sure that the company you're talking to is registered. For a list of state offices, visit the National Association of State Charity Officials at [www.nasconet.org/agencies](http://www.nasconet.org/agencies). Your state office can also verify how much of your donation goes to the charity, and how much goes to fundraising and management expenses. You can also check out charities with the Better Business Bureau's (BBB) Wise Giving Alliance at [www.bbb.org/charity](http://www.bbb.org/charity) and GuideStar at [www.guidestar.org](http://www.guidestar.org).
- Go to the U.S. Agency for International Development (USAID)*** at [www.usaid.gov](http://www.usaid.gov) for information on how to help victims of disasters overseas.
- Trust your gut — and check your records if you have any doubt about whether you've made a pledge or a contribution.*** Callers may try to trick you by thanking you for a pledge you didn't make. If you don't remember making the donation or don't have a record of your pledge, resist the pressure to give.
- Be wary of charities that spring up overnight in connection with current events or natural disasters.*** They may make a compelling case for your money, but as a practical matter, they probably don't have the infrastructure to get your donation to the affected area or people.

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- Watch out for similar sounding names.** Some phony charities use names that closely resemble those of respected, legitimate organizations. If you notice a small difference from the name of the charity you intend to deal with, call the organization you know to check it out.
  - Be cautious of promises of guaranteed sweepstakes winnings in exchange for a contribution.** According to U.S. law, you never have to give a donation to be eligible to win a sweepstakes.
  - Be wary of charities offering to send a courier or overnight delivery service** to collect your donation immediately.
  - Know the difference between “tax exempt” and “tax deductible.”** Tax exempt means the organization doesn’t have to pay taxes. Tax deductible means you can deduct your contribution on your federal income tax return.
  - Do not send or give cash donations.** Cash can be lost or stolen. For security and tax record purposes, it’s best to pay by check — made payable to the charity, not the solicitor. If you’re thinking about giving online, look for indicators that the site is secure, like a lock icon on the browser’s status bar or a URL that begins “https:” (the “s” stands for “secure”).

The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit [ftc.gov](http://ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. Watch a video, *How to File a Complaint*, at [ftc.gov/video](http://ftc.gov/video) to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

