

Be Proactive With Your Image to Counter Charity Scams



When disaster strikes, people want to be generous and give to a specific cause that they trust will truly help people in need. In the aftermath of devastating hurricanes this year, many organizations are involved in the response.

However, so are charity scams.

According to the Federal Trade Commission, there are ways for consumers to protect themselves against fraudulent charity scams. As a result, your organization may have to work even harder to prove that donations go toward relief efforts or really represent your mission. Here are some tips to maintain your image with skeptical donors.

1. Promote your track record of serving your mission.

Put hard numbers to a population served or show images of actual relief efforts underway – ideally in

real time. People want to hear stories, statistics and results from your organization’s work. Translate your annual report into outcomes your donors and stakeholders can understand.

2. Check your profiles on review sites and consumer monitoring agencies.

Sites such as the following are recommended for consumers to research a charity or nonprofit organization before deciding to give:

- [Better Business Bureau’s \(BBB\) Wise Giving Alliance](#)
- [Charity Navigator](#)
- [Charity Watch](#)
- [GuideStar](#)

[Continued to page 3](#)

In This Issue...

Be Proactive With Your Image to Counter Charity Scams.....	1
Use A Giving Day To Raise Money – And Awareness – For Your Nonprofit.....	2
How Your Nonprofit Can Avoid Investment Fraud.....	3

Use A Giving Day To Raise Money – And Awareness – For Your Nonprofit

#GIINGTUESDAY

What are you doing November 28? If that date doesn't ring a bell, your not-for-profit probably hasn't made plans to participate in National Giving Tuesday. But considering the opportunities associated with it, maybe it should.

What is it?

Giving Tuesday, or National Day of Giving, was created to encourage Americans to contribute to charity during the holiday season, similar to how they participate in commercial shopping events such as Black Friday and Cyber Monday. Like Cyber Monday, Giving Tuesday wouldn't be possible without technology. Participants use social media to raise awareness about issues and how their nonprofits are responding to them. Raising money online is a central goal, but Giving Tuesday is also intended to educate potential supporters and encourage them to volunteer in their communities.

Since its establishment in 2012 by New York City's 92nd Street Y, Giving Tuesday has grown into an enormously successful global event. It has more

than 40,000 charitable, for-profit business and government participants, and in 2016 it raised more than \$168 million in a 24-hour period.

Get involved

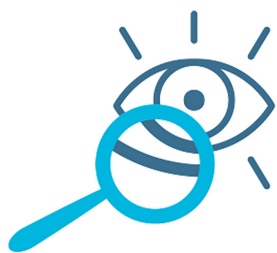
If you're interested in participating, sign up at GivingTuesday.org. You must be registered as a 501(c)3 organization and you'll need to provide a link to your own website or a third-party payment service that supporters can use to make donations. Donors can't directly give money to your charity through the Giving Tuesday website. What the site does offer, however, are free marketing tools and advice on leveraging your social media presence and support base for maximum impact.

Your nonprofit's participation in this designated day can be minimal or substantial, depending on your resources and greater objectives. If this is your first year, try a simple, focused goal. For example, use the day to remind supporters to make tax deductible gifts by year end. Or publicize the list of supplies your facility needs on an ongoing basis.

Start planning

If you hope to participate this November, start planning now. Or, consider participating in another 24-hour fundraiser. In addition to city-specific events held throughout the year, such as Pittsburgh's Day of Giving and Seattle's GiveBIG, there are more general options, such as Give Local America.

How Your Nonprofit Can Avoid Investment Fraud



Investment fraud can cause significant financial losses for not-for-profits. But the harm it could cause your reputation with donors and the public may be even worse. Nonprofits are required to disclose on their Forms 990 whether they've experienced a significant loss to any illegal "diversion" that exceeds the lesser of 5% of gross receipts, 5% of total assets or \$250,000. Such data becomes public and is likely to be reported by charity watchdog groups and the media.

To avoid hiring a crooked investment advisor, beware of unrealistic promises, such as annual returns of 20%. Also be wary of fund managers

who don't submit to outside audits or report their results publicly. Instead, look for an advisor who encourages you to discuss goals and risk concerns, and who understands your investment philosophy.

Accessibility is important, too. For example, your board likely holds meetings after business hours and your advisor needs to be able to meet with them from time to time.

Ask other nonprofits, or your attorney or CPA, for investment advisor referrals. And make sure your board scrutinizes your advisor's investment recommendations, carefully reviews performance reports and constantly monitors account balances. Contact us for more suggestions for finding a trustworthy investment advisor.

Charity Scams

Continued from page 1

If required, make sure your organization is registered within the states you operate. Go to the National Association of State Charity Officials to confirm that your organization is properly identified as legitimate in a particular state.

3. Suggest designated gifts to donors.

It's nice when donations can go to the general fund to allow your staff to determine best use. However, donors may feel more confident about giving to something specific and tangible. If you are focusing on housing, then break down specific housing needs in the relief area. If you are raising funds for a hospital, focus on specifics for that hospital.

4. Be mindful of your marketing campaigns and outreach.

Donors are wary of phone calls, emails and even social posts. Some nonprofits focus on advertising, events and donor testimonials and reviews to improve their image with the public. If

appropriate, participate in credible giving sites such as GivingTuesday.org.

5. Make sure your financials are clean and transparent.

If donors ask to verify the percentage of funds that go to actual relief efforts or your mission versus administrative costs, you should have a ready answer that can be verified by your financial statements and annual report. Make your annual report publicly available on your website, and include messages about financial transparency in your public communications. Educate board members about how to talk about financial transparency with donors, as they are likely to be asked.

For tips on supporting your organization's reputation with donors, go to the FTC's page on [charity scams](#).

Source: Federal Trade Commission <https://www.consumer.ftc.gov/blog/2017/08/wise-giving-wake-hurricane-harvey>