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HOW TO GIVE
WITHOUT
BEING TAKEN.



ILLUSTRATION/PETER HOEY

Sweet Charity

WHEN I SEE people running, walking, or cycling in big charity events, it makes me glad that folks devote their time, money, and effort to a cause. I also wish these people understood how little of their laboriously raised pledges might ever fund a charitable program.

Many large charities get excellent marks from nonprofit watchdog

groups (most of which recommend that *total* nonprofit administrative costs stay below 25 to 35 percent of *total* revenues), but many of these charities also pay outside organizations hundreds of thousands of dollars to run their giant fundraising events. Unfortunately, many charities often record the costs of these events in their IRS filings in a way that makes it nearly impossible to determine total event expenses compared

with proceeds. However, one recent study found that some large fund-raisers cost up to 65 percent of the amount they raise.

Fund-raisers argue that even with the high percentage costs, these events generate community awareness and frequently yield more net proceeds than inexpensive direct appeals for donations, so they're still a sound fund-raising strategy.

If you participate in one of these events, recognize that all your collected dough won't go to charitable services – you'll be mostly spreading the charity's word.

Consider making your other good deeds direct donations to a charity. Don't make donations to nonprofit telemarketers – they are paid a percentage of the funds they raise. And instead of gifts on special occasions, let your friends know you'd prefer they make a donation to the charity of your choice.

But which charity should you choose? To figure that out, you'll need to do your homework. There are thousands of nonprofits that need help, but spreading your donations thin just means that more of your donations will get eaten up by the fixed administrative costs of each charity. If you select one or two causes that have special meaning to you or your family, more of your total gift will be used for the cause. Make sure to research charities carefully with the help of a watchdog organiza-

tion like the Better Business Bureau, GuideStar, or Charity Navigator. Your chosen charity should meet accepted standards of efficiency, should not overly compensate its executives, and should benefit programs that are worthy and effective. Don't hesitate to contact the charity directly and ask questions.

A great source of financial and program information is a nonprofit's IRS Form 990, a financial document that charities are required to file publicly. These forms are frequently available for the most recent year at the GuideStar and Charity Navigator sites.

Don't forget that many big charities fund other charities that also have administrative costs – Form 990s will tell you where the nonprofit sent its money so you can see if its “program expenses,” or donations, are being routed to other, less efficient charities or causes.

If all of this seems like too much bookkeeping and not enough benevolence, why not simply volunteer your time? This guarantees that 100 percent of your effort goes directly to people or causes in need. Either call a charity you care about to learn ways you can help, or for a list of local nonprofits seeking volunteers, visit Boston Cares (bostoncares.org), VolunteerMatch (volunteermatch.org), or good2gether (boston.com/dogood).

Be a Smart Samaritan

These watchdog organizations can help you research charities before you give:

Better Business Bureau, bbb.org

Charity Navigator, charitynavigator.org

GuideStar, guidestar.org