

# SENIOR ADVOCATE

Prime News for Those in Their Prime

## How to Choose a Charity

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Dear Savvy Senior

What resources are available for researching charities? My husband and I recently received a nice inheritance from my mother and are interested in making a financial contribution but want to be sure the money is well spent. What can you tell us?

Choosy Givers

Dear Choosy,

It can be a challenge deciding which charity to give to. But today, thanks to the Internet, finding and researching charities that interest you has never been easier. Here's what you should know.

To find the right charitable organization that's financially efficient and supports a cause you find important requires a little homework. A good starting point is the charity's own Web site, which should include details about programs and how gifts are spent, as well as financial information such as an annual report. Here are some other tips to help you look a little closer.

**Check Legitimacy**

There are a lot of charity scams out there! So, if you're interested in, but not familiar with a particular charity, or if you've been contacted by phone or letter asking for money for a cause, your first step is to see if they're legitimate. The Internal Revenue Service maintains a list of all organizations registered as charities. Also check with your state's attorney general or charities bureau, which is responsible for policing charities within the state and can provide a wealth of information about them. Go to [www.nasconet.org](http://www.nasconet.org) to find your state's charity regulator.

**Check Efficiency**

To make sure your money is spent wisely you need to research the charity's finances. You can look this up at [www.charitynavigator.org](http://www.charitynavigator.org) or by looking over the IRS form 990 that the charity files (available at [www.guidestar.org](http://www.guidestar.org) or on the charity's site). Generally, an efficient charity should keep administrative and fund-raising expenses to less than 25 percent of its budget. Most good charities are well below that number. If a charity you want to support spends more than 25 cents on the dollar for administration and fund-raising, you need to find out why. Another good resource is the Better Business Bureau Wise Giving Alliance which offers free analysis of national charities on its Web site at [www.give.org](http://www.give.org).

Note that many religious organizations are exempt from filing with the IRS, but reputable organizations will gladly provide you with their financial information. To help you research Christian charities, see Ministry Watch ([www.ministrywatch.com](http://www.ministrywatch.com)) or the Evangelical Council for Financial Accountability ([www.ecfa.org](http://www.ecfa.org)), which provides information on more than 2,000 Christian charity groups.

**Compare Fairly**

Many people like to compare charity efficiency ratings head-to-head. If you do this, be sure to compare charities that have similar missions. For example a soup kitchen might spend 95 cents of every dollar on its programs because there's little to no administrative costs. Yet it's rare to find a museum that spends more than 75 cents on the dollar because museums need guards, insurance and big buildings.

**Ask Questions**

Contact the charity directly and ask lots of questions to be sure you're clear on what they do and how they do it. Some questions to start with should include: How will your gift be spent? How many people did they help last year? In what way? Well-run organizations will welcome your questions. If they don't, go elsewhere.

**Tax-Deductible**

Before giving a donation to any organization, make sure it is a 501(c) (3) charity. That means the group has filed paperwork with the Internal Revenue Service, registering it as a U.S. nonprofit and enabling you to get a tax-deduction for your donation at tax time.

**Some Tips** When it comes to making a charitable donation, there are a few things to keep in mind. First, be sure to get a receipt for your donation. Next, be sure to make your donation through the charity's official website or by check. Finally, be sure to make your donation to a charity that is a 501(c) (3) organization.

Savvy tips: when it comes to giving money, avoid donating over the phone. Nine out of 10 times, the phone solicitor is a for-profit telemarketer who is working on behalf of the nonprofit for a percentage of the take, which can range from 50 cents to 90 cents on the dollar. Send your donation directly to the charity, and be sure to get a receipt of your donation for tax purposes. Also, be sure the charity respects your privacy and does not share your personal contact information with any other organizations.

Send your senior questions to: Savvy Senior, P.O. Box 5443, Norman, OK 73070, or visit [www.savvysenior.org](http://www.savvysenior.org). Jim Miller is a contributor to the NBC Today show and author of "The Savvy Senior" book.