

Money MOM™

A season for giving

by Nanette Garrett

'Tis the season for sharing and giving. Donating to charity allows you to support causes you believe in, and can also provide tax benefits. If you would like to support a charity this holiday season, it is important to research the organization you are interested in. The following information is an excerpt from The American Institute of Philanthropy. Most charities are honest and accountable to their donors. Unfortunately, a few are not. The AIP suggests the following pointers to help you give more effectively.

Know your charity

Charities have an obligation to provide detailed information to interested donors. Never give to a charity you know nothing about. Request written literature and a copy of the charity's latest annual report. This should include a list of the board of directors, a mission statement and the most recent available audited financial statements with accompanying notes.

Honest charities typically encourage your interest and respond to your questions.

Find out where your dollars go

Ask how much of your donation goes for general administration and fundraising expenses and how much is left for the program services you want to support. AIP's Charity Rating Guide recommends that in most cases 60 percent or more of your charitable donation should go to program services. In AIP's view, 60 percent or greater is reasonable for most charities. The remaining percentage is spent on fundraising and general administration. Less than 40 percent should be spent on general administration and fundraising costs.

Do not respond to pressure

If you are unfamiliar with a charity, request additional information in writing. Inspect it carefully and write a check if you decide to donate. You have a right to say no. Legitimate organizations are usually pressure-free.

Keep records of your donations

Refrain from giving cash, your credit card number to a telephone solicitor or internet site that you do not know. Be sure to obtain a receipt or printed copy of your donation so you will have a record for tax purposes.

For tax purposes, you will need to keep a record of all your contributions of any amount. For contributions under \$250, records may be in the form of a bank record, canceled check, or written communication from the charity. The written communication may be in the form of receipt or letter that must contain the charity's name and the amount and date of the contribution.

For all tax-deductible contributions of \$250 or more, the IRS requires that you obtain a receipt from the charity.

"Tax exempt" does not always mean "tax deductible"

Some organizations are eligible to receive tax-deductible contributions. "Tax exempt" means the organization is excluded from paying taxes. "Tax deductible" means the donor can deduct contributions to the charity on his or her federal income tax return. Request the charity's tax exempt letter. If the charity is without a tax exempt letter indicating its status with the IRS, you

will be unable to legitimately claim your contribution as a tax deduction.

Do not be misled by a charity's familiar name

Some questionable charities use an impressive name which closely resembles the name of a respected, legitimate organization. Ask for information in writing. Check out the charity with AIP or other watchdogs or check with your state charity registration office before making a contribution.

Ask if the charity is registered by federal, state and/or local authorities

Nearly all non-church charities with more than \$25,000 per year in income must file financial information annually with the IRS. Currently 39 states and the District of Columbia require that charities register annually.

Beware of charities offering gifts

Direct mail solicitations are often accompanied by greeting cards, address stickers, calendars, key rings or other "gifts." Charities do this because it can increase donations. But do not feel that you have to make a contribution to keep these "gifts." It is against the law for a charity to demand payment for any unordered merchandise. Beware that these enclosed items can mean higher fund-raising costs for the organization.

Continue on page 23





Hang out and play

Come and play at the Park!
Bring granny, nanny,
parents and friends.
Never go home wet or muddy,
just worn out from playing.

For ages one to six.
Balls, bubbles and noodles.
Tunnels, play houses and
tumbling mats.

Tuesday & Friday
9:30 a.m. to 12:30 p.m.

\$3.50 per child for members,
\$5.50 for non-members.
Discounted 10-visit punch cards available.



541-774-2255 · 1650 28th St. in Springfield · www.kickcity.com



Meet Money MOM™

Nanette Garrett is a member service counselor for Pacific Cascade Federal Credit Union and a busy mother of three. If you've got a question about balancing the family budget, contact Nanette today.

Continue from page 22

Consider giving generously

Once you are satisfied that the charity is worthwhile, give generously if you can. There are many good charities that need your help to operate valuable programs and provide needed services. When you give wisely, you will be giving more effectively.

For more information, visit the American Institute of Philanthropy's website at www.charitywatch.com.

Money MOM™ is brought to you courtesy of Pacific Cascade Federal Credit Union and MOM Magazine. See ad on page 29.



FLY EASY...

fly **EUG**.com 




EUGENE AIRPORT 

541-682-5544