

# HOW TO PROTECT YOURSELF WHILE HELPING OTHERS

Donating to a cause you care about is rewarding. Unfortunately, not all charities are created equal.

Taking the proper precautions before giving ensures that your donations go to the people and organizations you want to help—and that you're meeting both your personal and financial goals.

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## SIMPLE STEPS FOR PROTECTING YOURSELF

- #1 Trust, but verify.** Be cautious of charities that spring up overnight in response to current events or natural disasters. Many of them may not have the infrastructure to get your donations to the affected areas or people.
- #2 Do your homework.** Confirm that the charity is a true 501(c) organization by checking the IRS website. Other third-party sites, such as Charity Navigator and GuideStar, can also offer insights into how the organization runs and spends its donations. You can also get a better idea of how effective their efforts are.
- #3 Verify solicitations.** If someone solicits you for a donation, call the charity and ask if they're aware of a solicitation you received. If not, it may be a scam.
- #4 Ignore high-pressure sales.** Legitimate fundraisers generally don't push you to give on the spot. Be wary of charities offering to send a courier or overnight delivery service to collect your donation immediately.
- #5 Trust your instincts.** Some scammers 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 previous pledge, resist the pressure to give.
- #6 Consider the costs of your gift.** When buying merchandise or tickets for special events from a charity, remember that these items cost money and generally are paid for out of your contribution. The same principle applies when receiving free goods in exchange for a donation. Although this can be an effective fundraising tool, giving this way means that less money goes directly to the charity.
- #7 Avoid those claiming sweepstakes winnings in exchange for a contribution.** Under U.S. law, you don't have to donate to be eligible for a sweepstakes.
- #8 Do not send or give cash.** Cash can be lost or stolen. For security and tax purposes, it's best to pay by credit card or check—made payable to the charity, not the solicitor.



## DEDUCT CHARITABLE GIVING FROM YOUR TAXES CAREFULLY

Deducting charitable contributions can reduce your taxes if you choose to itemize, but the rules are complex.

Many major charities meet IRS criteria, but you should always verify your organization of choice. To help with this, the IRS offers a search tool that identifies qualifying organizations.

Some types of donations never qualify. For example, Bibles, gifts to individuals, and donations to political parties or candidates are never tax-deductible.

When you donate, ask the organization for a receipt showing the amount of your contribution, the name of the organization, the date, and a statement that the contribution is tax-deductible.

For any donations of over \$250, you must show the above documentation, plus a written acknowledgment of the donation amount and if it was in exchange for goods or services.

## WHEN IN DOUBT, TALK TO AN EXPERT

If you have questions about your charitable giving, talk to your financial advisor. They are your best resource as you consider how to give in a way that aligns with your goals.

