



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah Department of Commerce

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

TRACI A. GUNDERSEN
Director, Division of Consumer Protection

December 13, 2011

MEDIA ALERT

Giving Wisely: Consumer Protection offers tips on checking out charities

(For immediate release...)

SALT LAKE CITY, Utah - Francine A. Giani, Executive Director of the Utah Department of Commerce, announced today that the Division of Consumer Protection is offering tips to help safeguard charitable donations when consumers give back during the holiday season.

“Utahns are known for their generosity to others, especially when it comes to charitable acts of kindness,” said Francine A. Giani, “While most charities and non profits have true intentions, unfortunately there are those who would tug on your heart strings to open your purse strings for their own profits instead.”

The Division of Consumer Protection has recently entered into several Settlement Agreements with charities and non-profits where it was evident that the money being raised was not going to the recipients or groups used in the marketing campaign to consumers. While no administrative actions were taken and most groups became compliant with state law, officials are concerned that the public may not be checking out charities before they make a donation.

“We have received several reports about groups who were fundraising for a certain cause, but there was no clear or transparent documentation that the money raised was actually going to the people or groups they claimed to represent,” stated Traci Gundersen, Director of the Division of Consumer Protection, “Our Division is offering resources for those who want to donate to make sure their money truly reaches those in need.”

How to Keep your Donations Safe from Scams

- 1) Be wary of solicitations which appeal to your emotions but offer little or no information about the actual charity. Don't be swayed by someone's sad story until you have all of the facts.

2) Some charities use similar names of well-known organizations. You might think that you are contributing to a nationally recognized group, when in reality; you are contributing to a fake.

3) Some groups may ply you with free gifts or other offers as part of the solicitation. Don't feel that you must donate in return for an unsolicited gift.

4) Do not give into hard selling techniques for instance if a caller pressures you to contribute on the spot, or offers to send someone to your home to pick up your check. A reputable charity will gladly accept your contribution today, tomorrow or a month from now.

Choose your charities with care

Even if you select a well-known charity, take the time to learn where your money is going and what it is used for. Choose organizations whose interest and concerns are similar to your own and evaluate the organization's goals and programs. Are their goals realistic in your view and do they possess a good plan to reach them?

Tips for safeguarding your charitable donation;

1. Find out if the charity is registered with the Division of Consumer Protection. The *Utah Charitable Solicitations Act* was enacted to protect the public's confidence in giving charitable contributions. This law requires charities to register annually with the Division of Consumer Protection unless they are exempt. Please note that registration is not the same as endorsement. The registration does not constitute endorsement or approval of the charity by the Division or any other government entity.

2. Know exactly how your donation will be used. Any organization will have overhead expenses. Obviously, the more that is spent on overhead means less spent on the charitable purpose. Charities are not required to limit their overhead expenses. However, they are required to report the percentage of the contributions they receive that are spent on their charitable purpose.

3. Ask for information. Don't be afraid to ask questions such as:

- "What is the full name of the charity?"

- "What is its permit number?"
- "Are solicitors paid or volunteer?"
- "What programs and services does the charity provide in Utah?"

4. Know your rights. You have the right to:

- Receive solicitations that are accurate and truthful.
- Receive a clear description of the programs and activities for which contributions are being requested.
- Know the identity of the solicitor and the solicitor's relationship to the charitable organization.
- Know the name of the charitable organization who will benefit.
- Be told about the programs and activities for which the contributions are requested.

5. Protect yourself. Take precautions when making a contribution, even after you have investigated the charity.

- Never give your credit card or checking account information to any organization with which you are not familiar.
- Never send cash through the mail. If you must make a cash donation, make sure you get a receipt.
- Always write checks to the organization, not to the individual collecting the money.
- Don't send your contributions to a post office box. Make sure you know where your money is going.

For more information log on the Utah Division of Consumer Protection website at: www.consumerprotection.utah.gov or call (801) 530-6601, or 1-800-721-SAFE

Additional Resources for Consumers

www.guidestar.org - Guidestar

www.bbb.us/charity - Better Business Bureau Wise Giving Alliance

www.charitynavigator.org – Charity Navigator

www.charitywatch.org - American Institute of Philanthropy

FTC public education materials in English: <http://www.ftc.gov/charityfraud/>

FTC public education materials in Espanol: <http://www.ftc.gov/donaciones>

For media enquiries contact:

Jennifer Bolton

Public Information Officer

Utah Department of Commerce

(801) 530-6646 office

(801) 652-8322 cell

jenniferbolton@utah.gov