

Solicitors keep 60 percent of funds raised for charity

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that it may call again, making fundraising easier in the long-run. While the figures seem stark, he says, the group gets more than it seems.

Professional solicitors defend their business. The report, for example, says Factor Direct Ltd., a telemarketing company based in Los Angeles, kept all the money it raised for three organizations — Amnesty International, The American Spectator Educational Foundation and Handgun Control Inc.

Tom Siegel, the vice president for Factor Direct Ltd., says the report is inaccurate.

Siegel says "it is very frustrating" for his firm to undertake solicitation programs that nonprofits "understand is in their long-term interest." Because such programs take time, he says, the charity may not see an immediate payoff, yet still can "have it reported as if the fundraising organization is taking advantage of the charity."

Randolph says all information in the report comes directly from documents the solicitors are required by law to submit to the state.

Charities can avoid criticism by paying fundraisers a salary for their work, instead of a commission, or by hiring their own staff fundraisers instead of contracting with solicitors, Randolph suggests.

"There are a whole lot of charities out there who wouldn't have somebody getting paid to raise money for them," Randolph says.

"Charitable organizations have a responsibility to use funds wisely. This report shows that maybe they're not. No matter

what we think of the charities and what cause they support, some are engaged in things that are not cost-efficient."

North Carolina requires solicitors and charities to apply for licenses to raise money in the state. Applications can be rejected if the charity's employees have been convicted of a solicitation-related felony.

Solicitors and charities operating in the state without a valid license can face civil penalties imposed by the state. Charities can, however, pay licensed professionals to raise money for them.

Only 10 of the professional solicitors on the report are based in the state.

"Charitable organizations have a responsibility to use funds wisely."

Lionel Randolph, chief of Solicitation Licensing

WHAT TO DO IF A SOLICITOR CALLS YOU

Lionel Randolph, chief of the state's Solicitation Licensing office suggests the following when a phone solicitor asks for a charitable donation:

- Ask if the organization/solicitor is licensed by the state and get the license number and expiration date.
- Ask the name of the caller and track the date and time of phone solicitations.
- Ask if the caller is being paid to make the call and the name of the fundraising company.
- Ask what percentage of donations actually go to the charity.
- Ask the caller to mail you information that you can use to make a decision regarding a donation.
- Don't be pressured to make a donation to an organization who must have the gift right away especially cash gifts.
- Don't be misled by a charity's familiar name. Some charities may use a name that closely resembles that of a respected, legitimate organization.
- Don't confuse "Tax Exempt" with "Tax Deductible." "Tax Exempt" means the organization does not have to pay taxes; "Tax Deductible" means you can deduct contributions to the charity on your federal tax return.
- Only donations to charities that are 501(c)(3) organizations as defined by the Tax Code qualify for tax deductions.
- Be especially cautious for solicitations for out-of-state charities.

For more information, call the Solicitation Licensing Branch at (919) 733-4510; the Attorney Generals' Consumer Protection Division at (919) 733-7741 or (919) 715-9439; and/or the local Better Business Bureau, for information regarding licensure, complaints and financial information.

THE SOLICITORS

Here are the 10 firms that solicited money in the year that ended April 30 from North Carolinians that passed along the lowest percentage to the charities they represented. Each figure represents the percentage of donations that actually went to the charities represented by the firm.

Genessee Development & Research Group, Inc. (Rochester, NY).....	0.00
Haines & Company/dba Americalist (North Canton, OH).....	0.00
Coinstar, Inc. (Bellevue, WA).....	0.00
Community Program Services (Jacksonville, NC).....	0.00
Gary Buchanon (Pinsor, AL).....	7.98
Contract Communication, Inc. (Chesapeake, VA).....	11.99
Community Safety, LLC (Minneapolis, MN).....	12.28
Non-Profit Telemedia, Inc. (North Little Rock, AR).....	13.38
American Trade and Convention Publications, Inc. (Greenfield, WI).....	13.41
Reese Brother's, Inc. (Pittsburgh, PA).....	14.03

Here are the 10 firms that solicited money in the year that ended April 30 from North Carolinians that passed along the highest percentage to the charities they represented. Each figure represents the percentage of donations that actually went to the charities represented by the firm.

Meyer Association, Inc. (St. Cloud, MN).....	75.75
Stucky & Ciminelli Marketing, Inc. (Matthews, NC).....	74.39
Response Dynamics, Inc. (Vienna, VA).....	66.17
CLEC Canvass Network (Washington, DC).....	61.46
Dial America Marketing, Inc. (Mahwah, NJ).....	61.08
BGS Telemarketing, Inc. (Bethesda, MD).....	60.18
Public Interest Communications (Falls Church, VA).....	54.27
New Boston Communications, Inc. (Boston, MA).....	54.18
L&M Promotions (Charlotte, NC).....	52.89
Summit Productions (Goldsboro, NC).....	52.54

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