

Gifts in Kind disputes *Philanthropy Journal* article

Dear Editor:

Your July 1998 front page story on the emerging trend of corporate product donations, "Corporate support shifting from cash," fell far short of the standard we have come to expect from your publication. I'm delighted that the *Journal* brought this growing trend to your readers' attention. However, I am deeply disappointed in the misstatements of facts, the liberal license taken with my quotes and the sweeping generalizations and conclusions drawn about our organization, Gifts In Kind International, from a handful of anecdotal stories.

For the benefit of your readers, let me set the record straight on some of the most troubling inaccuracies:

- Regarding charges of high shipping, administrative and membership fees:

As a nonprofit organization ourselves, we're very sensitive to cost issues. We're devoted to being good stewards of the products donated to us and to getting these products to our member charities as economically and efficiently as possible. Since 1993, we've held the line on our registration fees while increasing the number of services we provide for those fees.

Our organization's annual administrative costs, which include shipping donations to recipient charities has been, on average, under 2 percent of the fair market value of the products donated to us for the past 15 years. In 1997 we operated at a mere 1.8 percent of the value of goods we distributed. Any way you add it up, that's an astoundingly low administrative expense.

- The charge that our products are mostly available in quantities "too large, such as by truckload or pallet" is simply false — and your reporter knows it.

I addressed this misconception with your writer during a telephone interview. I reviewed with her our Gift Update Catalog which clearly lists options including carton sizes, which contain fewer product quantities. We make 85 percent of our products available in these carton

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sizes to address requests of registered charities. Large quantities, such as by "truckload" and "pallet" as stated in the article, are sent to organizations that distribute goods to other charities, such as food banks, United Ways, and similar groups.

- The charge we "fail to deliver orders in a reasonable time and are slow to refund money on failed shipments" is simply untrue.

Our Gift Update Catalog clearly states that, on average, a charity may expect delivery of its requested products in 4-6 weeks. However, on many occasions it takes only 8-10 days to fulfill the request if the product is immediately available in the distribution center. Some product donations require the 4-6 week delivery time so that a contributions committee from a donor company can review donation request applications to ensure the products are going to organizations and causes the company supports. When this is the case, the additional time is noted on the donation application. When contributions originate from the donor's facilities, we must distribute goods as the donor's "deck and loading" ability allows. This is another reason we established the 4-6 week delivery period.

- The assertion that we provide "only vague descriptions of some bulk donations in the gift catalogs it distributes to nonprofits" is true.

In fact, we say throughout the catalog and in all of our request information that the gift descriptions are provided directly to us by the donors and, on occasion, lack specifics. We think it makes good sense to let people know as much as possible about the products so they can make their own choices about ordering. But sometimes, we simply don't have the information. As a result, we are careful not to overstate or misrepresent products in the Gift Catalog Update.

- The assertion we "don't return phone

calls and offer little help to solve problems" is puzzling. Here's why:

A year ago we instituted a quality assurance program. Rather than calling our fulfillment service with questions as had been the case previously, our charities call Gifts In Kind International employees. Our number one responsibility is to make sure all phone calls are returned within 24 hours and that gift requests, questions or concerns expressed by the charity are handled promptly. It's our goal and our practice to work with a concerned charity until their questions are resolved.

After your story appeared, we began contacting those agencies quoted as being dissatisfied with us. One of the organizations in your story acknowledged that they had never reported their problem to us. It's hard to fix something when you don't know it's broken. The charity was invited to receive a second full shipment at no cost. As I told your writer, on rare occasions when recycled computers have not worked we have offered replacement equipment. We do our best to ensure that recycled computers are in good working condition. Nobody benefits if the product is broken.

- The allegation that we "sign corporations to exclusive contracts" is patently false.

There are no contracts. Together with the corporate donor we develop a distribution plan for their particular product donation. The corporation may decide to use our services only once or on an ongoing basis. There is nothing written or implied that discourages our corporate partners from making products available directly to their favorite local or national charities. As with other forms of philanthropy, we believe it is solely the donors' choice to determine whom to support.

Particularly disturbing was the quote attributed to me suggesting Gifts In Kind International would rather work with larger agencies since "The program for smaller agencies is not as cost effective." Not only do I not believe this statement, I didn't say it. The fact is the vast majority of organizations we work with are small. These groups, which typically

have tighter budgets and fewer resources, look to us to help provide blankets, clothing and personal care items for their homeless shelters, computers for their schools and youth programs, or building supplies to repair or build homes. Local, homegrown and grass roots agencies are exactly the kind of groups we're here to help.

When we hear from our registered charities that they would like additional services, we do something about it. To borrow an advertising tagline from The Ford Motor Company — for us, "quality is job one." That means better and more effective service for our registered charities and donor companies. During the next 18 months we'll be enhancing our order tracking and warehouse distribution systems which should further reduce costs and improve logistic services for recipient charities.

Gifts In Kind International has grown 44 percent each year for the past six years. This speaks volumes about the quality of our services and the confidence recipient charities and corporate donors have in us. This incredible achievement was totally overlooked by your writer.

The Philanthropy Journal does a disservice to its readers and the charitable sector when it publishes unsubstantiated and unproved allegations such as those in this story. It's our hope the magazine will be more accurate in its future reporting.

Regards,
Susan Corrigan
President & Chief Executive Officer
Gifts In Kind International

Editor's note: The limit on length was waived to allow a fuller response. To see the original story, go on the Web to <<http://www.pj.org/nonprof/giki0798.htm>>

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