

Welcome to the SeaComm Federal Credit Union podcast. Your guide to financial information and what's going on at your credit union.

What to Know Before You Make a Donation

People donate billions of dollars to non-profits every year, and maybe you like to help out and give generously to charities you believe in. Well, if any of that money is going from your pocket to charity, there's a few things you should know. While there are plenty of great charities and causes, there's also scammers out there who want to use your good will for their benefit. In order to protect yourself and your funds, here are a few questions you should be asking before you decide to make a donation.

Is the Charity Authentic?

It's important to verify the charity you decide to donate to. There are plenty of crooks out there who just want to take your money. They will set up a fake charity using any kind of cause they can think of to create sympathy. You might get a phone call asking for a donation or an email that looks professionally done. Be very careful, because current technology makes it simple for criminals to create fraudulent caller IDs and formatted emails. Even if it looks and sounds legitimate, you should make sure it's the real thing. Websites exist that serve as watchdogs for charities, like Charity Watch. When you search for an organization on Charity Watch, you will be able to see all of their information as well as a grade. This is an easy way to tell if the charity or organization you want to donate to is legitimate. Once you've verified the organization, there is another question to ask.

Where is the Money Going?

Most of the money you donate should be reaching the beneficiaries of the charity you choose. There are multiple organizations that donate to the same cause, but they might not give the same amount towards their service efforts. Experts say that organizations that allocate at least 75% of their budgets to the services they provide are the most efficient. When looking up your charity, you will see an expense ratio. This will show you how much of every dollar the organization collects goes to their relief efforts. For example, the American Red Cross spends 91 cents of each dollar donated on their benefit programs. Donating to organizations with better numbers means your money will go where you intend it to.

Is My Donation Tax Deductible?

Tax deductible donations fall under certain rules. Check out the nonprofit status of the organization you plan to donate to. This will tell you if your donation is tax deductible. That information will be available when you look up the charity. 501(c)(3) and 501(c)(4) are the most common tax statuses. In order to claim these donations, you'll need to itemize your deductions, so it's important to keep track of them. You will need documentation, like a receipt from the charity or your account statements. If you have any questions or want to know more about deducting donations from your taxes, the IRS has your answers.

What Do I Do After I Donate?

If you've checked all the boxes and made a donation to a legitimate charity or cause, it's still important to keep track of the charge. Take a look at your account statements to confirm the correct amount was charged. If you see a suspicious amount or more charges than you agreed to, report the error. Even legitimate charities have recurring payment options that you may have accidentally signed up for. If you

would like to make regular donations, then this option is great, but if you just want to make a single gift, make sure that is the option you've selected.

What are Common Examples of Charity Fraud?

One of the most common types of charity fraud involves phone calls targeting senior citizens. The scammer will pretend to be part of a charity and rush the victim into making a donation. Using carefully crafted language, money is stolen all the time. Another scam involves fake websites or ads where famous people are used to entice fans and followers to donate to their favorite celebrity's cause. Audio or video clips can be edited together to create a fake message where it looks like an endorsement. Watch out for these types of scams by using the tips you just heard. Donating is a wonderful thing, just make sure you're not donating to a criminal's wallet.

As your credit union, we want to keep you and your finances safe. That's why we created our Fraud Center, which includes valuable resources to help educate and empower our members to protect their assets and identities. To get started, visit SeaComm.org/securitycenter.html.

The act of helping others, donating to charity, or volunteering your time is a rewarding experience. At SeaComm, we strongly believe in supporting the communities we serve with acts of kindness. Through monetary donations and our Pay-It-Forward program, SeaComm is proud to be a positive force for our communities.

That's it for this edition of the SeaComm Federal Credit Union podcast. Thanks for joining us!