



Checking Up On Charities and Their Fundraisers

From the Office of Minnesota Attorney General Lori Swanson

Hundreds of for-profit companies solicit donations on behalf of charities in the United States. These fundraising companies may take a large “cut” of up to 80 percent or more of a donation. People can make sure that more of their money goes to the mission of the charity by doing some basic research.

What Is a Professional Fundraiser?

A “professional fundraiser” is a for-profit company that helps a charity raise money. Professional fundraisers may contact donors through phone calls or mailings. Professional fundraisers are compensated by their charity clients, sometimes a lot. Some professional fundraisers keep 80–90 percent of every dollar they solicit on behalf of a charity, though donors are rarely told this.

Is the Call or Mailer From a Fundraiser?

Under Minnesota law, a professional fundraiser—*before* it asks for a donation—is supposed to disclose its full name and that the solicitation is being conducted by a “professional fundraiser.” Not all fundraisers make these required disclosures, however. It is a good idea to investigate further before donating in response to a call or mailer asking for a charitable contribution.

How Do I Research Professional Fundraisers?

You can research professional fundraisers on the Minnesota Attorney General’s website, www.ag.state.mn.us. If the fundraiser has registered, people can view the documents that it has filed with the Attorney General’s Office about its solicitation activities and other operations. Three main types of information are available on the Attorney General’s website:

Annual registration statements include the names of all charities for which the fundraiser solicits, the persons

who run the company, and are supposed to state whether the fundraiser has ever had its ability to solicit suspended or restricted due to improper conduct.

Contracts between the fundraiser and the charity reveal the type of work the fundraiser does for the charity and how the fundraiser is paid by the charity. If the fundraiser solicits for the charity, the contract is supposed to state the percentage of a donation that will be kept by the fundraiser.

Solicitation campaign financial reports are filed at the end of a fundraising campaign. They are supposed to identify how much the fundraiser has raised for the charity and what portion of contributions the fundraiser kept for itself. If a report indicates the fundraiser keeps most of the donations that were made for itself, donors can choose to contribute elsewhere.

These documents can be found on the Attorney General’s website by selecting the “Charities” tab on the home page, then clicking on the “Search for Charities and Fundraisers” option in the drop-down menu. Enter all or part of the fundraiser’s name in the search box, and then click on the name in the search results to view which documents are available for that particular fundraiser.

How Do I Research Charities?

People interested in donating to a charity with a particular mission should pay close attention to how much a charity spends on its charitable programs, versus the money it spends on fundraising and overhead. People can research a charity on the Attorney General’s website. Under the “Charities” tab on the website’s home page, click on the “Search for Charities and Fundraisers” option and then enter all or part of the charity’s name in the search box. If it is registered, the charity’s name will appear on the results page. Click on the name to visit a webpage showing the charity’s contact information and basic finances for the last several years.

Beware of Unregistered Charities and Fundraisers

All fundraisers—and many, but not all, charities—are supposed to register with the Minnesota Attorney General before soliciting contributions. Failing to register can be a red flag, and people should be extra-cautious about donating to an unregistered charity or through an unregistered fundraiser.

If a charity or professional fundraiser is engaged in questionable activities, you may report it to our Office as follows:

Office of Minnesota Attorney General

Lori Swanson

445 Minnesota Street, Suite 1400

St. Paul, MN 55101

(651) 296-3353 (Twin Cities Calling Area)

(800) 657-3787 (Outside the Twin Cities)

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