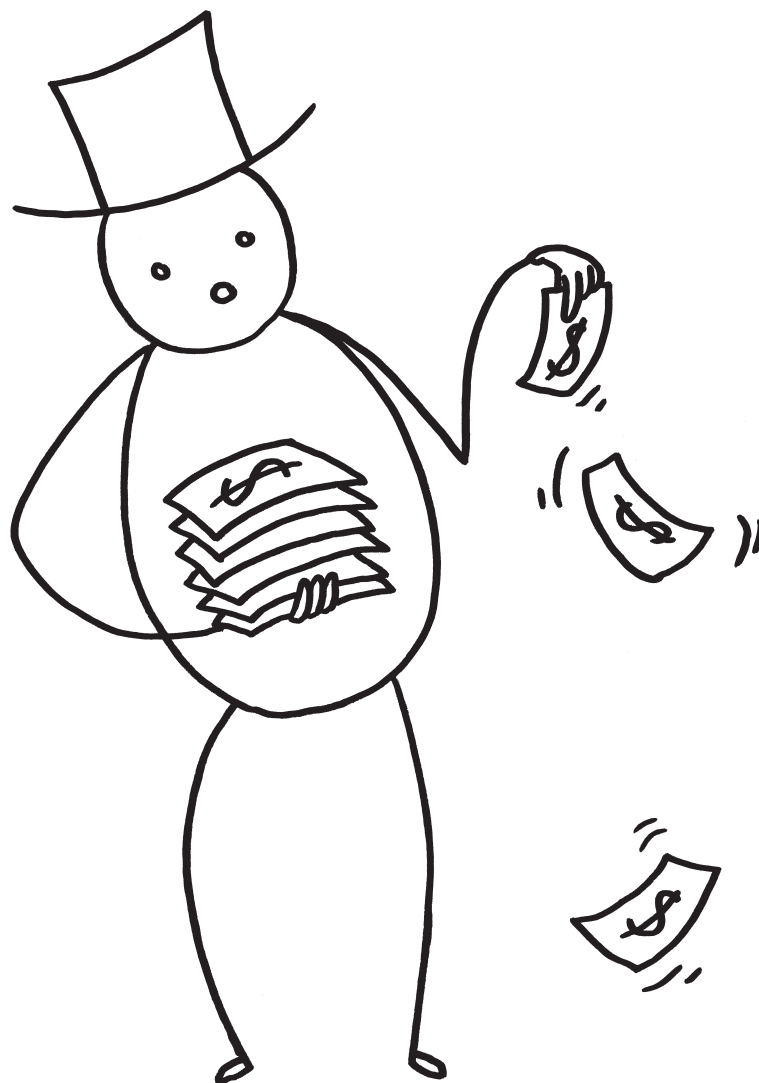


INFORMATION SHEET

DONATING

TIPS AND INPUTS



DONATING

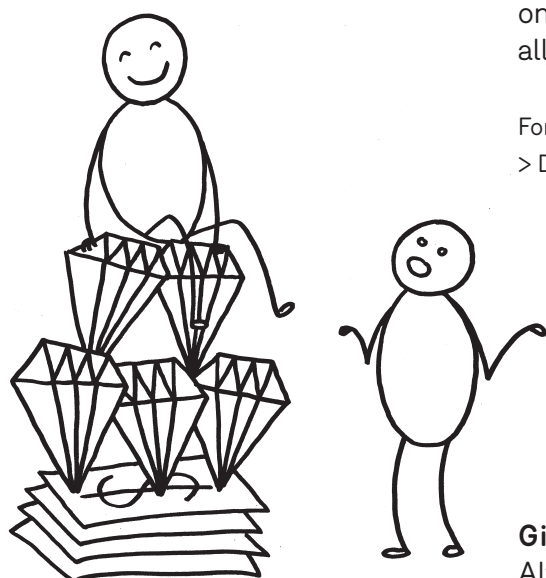
TIPS AND INPUTS

WHY DONATE?

Making a contribution to the fight against poverty

Even nowadays every ninth person suffers from hunger. More people die every year from hunger and malnutrition than die from HIV/AIDS, malaria and tuberculosis combined. Worldwide poverty can only be brought to an end by the collective efforts of all people and all countries.

For further information on the topic of poverty, see: www.kuska.online/ausstellung > DOWNLOAD > Posters (p. 5-8)



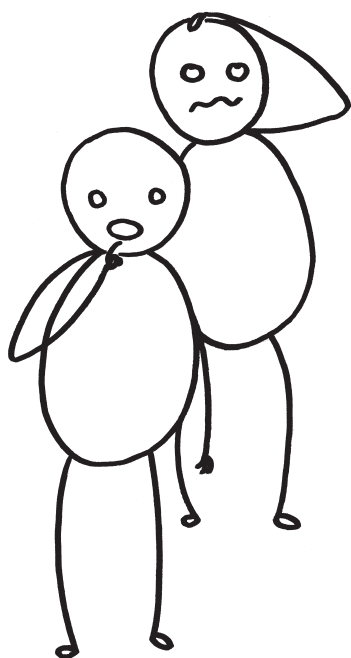
Donating, because you have the possibility to do so

To be born in a wealthy country is not a merit but rather a matter of luck. In the same way, those who are born into poverty are not to blame for that. It would be desirable that those who had good fortune in the lottery of birth lend their support to those who have fewer chances in life.

Giving something back

Although most wealthy countries provide money for development cooperation, they still give clearly less than they benefit. As an example, many business profits which are made in so-called “developing countries” are invested and taxed outside these countries. A further example is the export of highly subsidized products from wealthy countries which are sold cheaply in developing countries, thus consuming local production. Not least we benefit on a daily basis from buying cheaply produced clothes, mobile phones and food from less well-off countries. As long as wealthy countries refuse to provide better terms of trade for developing countries, donating is at the very least a small price to pay for a better future.

For further information on the question of how industrial countries benefit from developing countries, see: www.kuska.online/ausstellung > DOWNLOAD > Posters (p. 10-12)



WHICH ORGANISATION TO SUPPORT?

Is the organisation effecting positive changes?

There are no generalised criteria but the objective should be that an organisation should be effecting as positive an impact as possible.

How high may overhead costs be?

Professionally run and bigger organisations, whose projects reach many people, cannot function without overhead costs. Furthermore, they have to advertise their projects in order to raise money. Nonetheless, not more than 35% should be used for administration (accounting, annual reports etc.), fundraising and advertising.

Does the organisation attach importance to transparency?

Organisations which work transparently generally have annual reports and audited annual financial statements at their disposal and are focused on objective reporting.

Is the organisation certified?

There are certification centres which review organisations and issue seals of approval (e.g. "Zewo" in Switzerland, "DZI-Spendensiegel" in Germany and "Österreichisches Spendengütesiegel" in Austria). However, there are costs attached to such certifications and, as a result, smaller organisations are often unable to become certified.

Is it better to support small or large organisations?

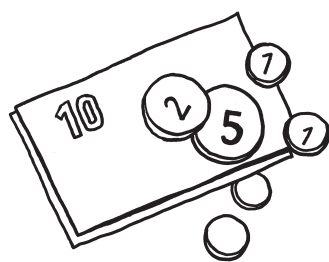
The size of an organisation brings with it advantages and disadvantages:

Small organisations

- Donations get through more "directly" as small organisations are often run by volunteers and therefore hardly generate any overhead costs.
- Small organisations only reach a few people.
- There is often a lack of knowledge with regard to professional development cooperation and limited financial resources are used for planning, accounting and measurement of effectiveness. This and the fact that long-term support and engagement is reliant on a few people can endanger sustainability.

Large organisations

- They generate greater overhead costs as they require management, coordination, staff management, advertising the project and collecting donations in order to get by.
- Larger organisations can reach more people.
- Usually large organisations have knowledge and experience with regard to professional development cooperation. They plan long-term and impact-oriented and therefore they stand a better chance that their projects will be sustainable.



DONATIONS IN KIND OR IN CASH?

Cash donations

Cash donations are generally more helpful as they can be more flexibly deployed and they don't require personnel, storage and transportation costs.

Donations in kind

Donations in kind are appropriate in specific cases such as emergency relief, if the relevant products (food, clothes etc.) being collected are not available in the country concerned or are no longer able to be produced due to a crisis situation.

If there is a functional economy in the respective developing country, then donations in kind can harm local businesses as they are unable to compete against free donations. On the other hand, cash donations can boost the local economy with assignments and can generate employment.

If an aid organisation should concretely ask for specific donations in kind, then of course these donations are most welcome. However, please only donate those goods which are needed. Otherwise it leads to logistical problems or to goods being spoiled before they have reached their intended destination.

In the case of collecting clothes it is important to be aware of the quality and cleanliness of the article. Damaged and dirty items need to be sorted out.

HOW DO I DISTRIBUTE MY DONATIONS?

Support fewer organisations with larger amounts

Every donation incurs administrative costs (accounting, donation confirmations etc.). Therefore it makes more sense to support few organisations with larger amounts and it is better to make a larger payment once a year than smaller payments several times a year. A good side effect: less post in your letterbox!

Donate regularly

Moreover, it is helpful to support organisations regularly with similar amounts, so that they can plan more effectively and on a long-term basis.



SHOULD 100% OF MY DONATION GET THROUGH TO THOSE IN NEED?

Organisations which advertise that 100% of donations get through to those in need are keen to point out that they have no overhead costs and that all donations are used for project costs. This can be the case for small organisations if, for example, the staff work voluntarily and if they cover their own travel costs.

Donors should be aware that such organisations have only a limited scope of impact due to their size, and that it is difficult to measure the effectiveness of a project without the help of trained experts. This is not necessarily negative, but the necessity for larger organisations incurring overhead costs should be granted in order to ensure the effective assignment of monies.

SHOULD I SPONSOR SOMEONE?

Worthy of recommendation primarily are project, country or themed sponsorships, through which a project will be supported without individual favouritism.

Individual sponsorships are especially problematic when, for example, a child in a community receives money while others go empty-handed. This can lead to tensions and conflicts.

Less problematic are sponsorships in a home for children where all children have sponsors and none are held back. Direct contact is best avoided, however, as it involves an enormous additional workload for staff (writing letters, translating and so forth) and this work time could be otherwise spent in a more meaningful way. Furthermore, a direct exchange may awaken false expectations and lead to disappointments on both sides.

ARE DONATIONS TAX-DEDUCTIBLE?

In many European countries, such as Switzerland, Germany, Austria and Italy, donations to charities are tax-deductible. To this purpose, organisations which are free from statutory tax liabilities can issue donation receipts. However, the non-profit status of an organisation is not an automatic given and must be confirmed by the respective public authorities.

LINKS & INFO 1/11

TIPS AND INFO



Donation tips (in German)
Questions concerning donations (Zewo)

www.zewo.ch/fur-spendende/spendentipps/haufige-fragen



Standard criteria of certifying organisations (in German)
Overview of the 21 Zewo standards (Zewo)

www.zewo.ch/fur-hilfswerke/die-21-zewo-standards



Methodology for calculating overhead costs (in German)
Apportionment of overall costs: project costs, costs for services and overhead costs (Zewo)

www.zewo.ch/Dokumente/Methodik-Zewo-Spendenstatistik/Merkblatt-zur-Zewo-Methodik.pdf

OVERHEAD COSTS



The way we think about charity is dead wrong
Activist and fundraiser Dan Pallotta says that many nonprofits are rewarded for how little they spend – not for what they get done.

www.youtube.com/watch?v=bfAzi6D5FpM

MOVEMENTS



Doing Good Better
How to make the world a better place with effective altruism.
A book by William MacAskill.

www.effectivealtruism.com



The why and how of effective altruism
What's the most effective way to give? A lecture by Peter Singer.

www.petersinger.info



The Life You Can Save: How to Do Your Part to End World Poverty
Why the current response to world poverty is not only insufficient but morally indefensible. A book by Peter Singer.

www.petersinger.info



WHAT CAN GO WRONG...



Let's save Africa! – Gone wrong
A satirical video by the Norwegian Students and Academics International Assistance Fund SAIH.

www.youtube.com/watch?v=xbqA6o8_WC0

CERTIFYING ORGANISATIONS



Switzerland

Zewo Foundation, Swiss certifying organisation for non-profit organisations who collect donations

www.zewo.ch/en/



Austria (in German)

Österreichisches Spendengütesiegel

www.osgs.at



Germany (in German)

DZI-Spendensiegel

www.dzi.de/spenderberatung/das-spenden-siegel



United Kingdom

BBB Wise Giving Alliance

www.give.org



USA

Charity navigator, your guide to intelligent giving

www.charitynavigator.org

CharityWatch

www.charitywatch.org

GuideStar

www.guidestar.org

GiveWell

www.givewell.org

