1) [www.donorschoose.org](http://www.donorschoose.org) This enterprise is small and local (New York), but of all the ones I checked, it’s closest to what we’re looking to do (see pros and cons below).

“Every teacher a grant writer, every citizen a philanthropist.”

Public school teachers – mostly from low income areas of New York City - use this web site to propose resources for their students. Concerned individuals scroll through and select a proposal to fund. Donorschoose takes the money and buys the materials, which it then sends to the recipient along with an instant camera and instructions in how to provide appropriate feedback to the donor.

**Pros:** User-friendly web site, attractive concept, intimate. Passions drive the process. Motivated teachers perform an essential task – identifying need and grant-writing – for free. Connections are made to real people. Recipient feedback is provided.

**Cons:** Labor intensive. Costly. Limited in scope (just student projects) and by capacity of staff to vet and verify each proposal. Handling money as a 3rd party. Feedback not used in such a way as to edify other donors. A presumption of interest.

2) For-profit giving web sites. There’s a bunch of them. Some offer full-scale and expensive services tailored to individual businesses. Others take a handling fee.

I included the article below because it gives you a decent overview of for-profit “giving portals”, which charge from $5.00 to up to 15 % per transaction. It’s also followed by links to related articles.

**Money & Business**

Money & Business

Home > Christianity Today Magazine > Hot Issues > Money & Business

Christianity Today, February 19, 2001

**Businesses Find Money in Charity**

*Are for-profit Web sites skimming the collection plate?*

By Jody Veenker | posted 2/20/01

A growing number of nonprofit charities are encouraging direct online contributions, but new for-profit "giving portals" are also developing sites that allow visitors to contribute to multiple charities in one place—and earning commissions and fees for the service.
Giving portals like Createhope.org, iGive.com, and Charitableway.com list a variety of charities and accept money on their behalf. In return, they deduct a handling fee and pass the remainder of the donation on to a designated charity.

Michael Nilsen of the National Society of Fund Raising Executives told ABC News that these sites operate with a different mindset from most charities because they are businesses first and foremost.

"There's a bottom line," Nilsen said. "While they are certainly useful in raising awareness of philanthropy and acting as a conduit for donations ... they need to make money."

Some for-profit portals take commissions as high as 15 percent off every contribution. Most deduct a service fee of about $5 per contribution, depending on the size of the gift.

Thegivingnetwork.com withholds 8 percent of donations and Helping.com deducts about 3 percent of the gift.

Many sites list charities and ministries among their sharing clientele without permission. Organizations like the American Lung Association (ala) now receive so many small contribution checks from various sites that they find it impossible to monitor the actual amount of money flowing in through indirect giving. The amount of money passed on to the ALA is "so minimal that we don't even track it," CEO Joseph Bergen told The Chronicle of Higher Education.

**Bad press?**

Some nonprofit Web sites worry that unregulated for-profits could sour people to online giving.

Stan Goude of the Salvation Army told Christianity Today he hopes that, as some giving portals' operating practices come to light, "the charities that are being responsible don't suffer from bad press too."

"About $200,000 was given at our site last year," Goude says. "All of that money was maximized to help people in keeping with our financial standards for contributions." The American Red Cross raised $1 million online in a single month last year.

The lack of regulation has the Internal Revenue Service (IRS), the Evangelical Council for Financial Accountability (ECFA), and the Better Business Bureau all searching for the best way to create guidelines for e-charity.

"There is a serious need for Christian organizations to set quality standards for Internet giving," ECFA president Paul Nelson told CT. "We encourage all our members to implement credit-card security, firewall protection, and to register as a nonprofit organization in every state they plan to accept donations from."

The IRS is concerned that many donations people make may not be tax deductible. It advises online donors to make sure any charity they give to is registered as a 501(c)3 nonprofit organization, and to always request a receipt for each donation.
The IRS site allows users to check the status of a charity (www.irs.gov/search/eosearch.html), but Guidestar.org offers more complete information.

But the best advice for consumers is to give directly at the sites of charities they know and trust, says Bennett Weiner of the Better Business Bureau.

"We don't usually get complaints when people give online to institutions they have contributed to by mail for years," Weiner says. "Our concerns are more about the legitimacy of some of the newer sites springing up that don't answer to anyone."

Such a wide variety of charitable sites has developed that some portals now run contests and give prizes to try to distinguish themselves. 4charity.com offers the charities it lists a percentage of its stock. Other sites, like Greatergood.com and Shop2give.com, send a small percentage of customers' purchases, through links to online shops like Amazon.com and CDNow.com, to the charity of the customers' choice.

Nonprofits that hope to compete against giving portals by promoting direct giving at their own sites might soon follow the model of Food for the Hungry (FFH). Through its eSponsorship.org Web site, FFH allows sponsors to send e-mail directly to sponsored children. FFH also provides periodic audio and video clips of sponsored children's villages.

"We are reducing our overhead and allowing people to interact more directly with the people who benefit from their gifts," says Roe Ann Wood, director of FFH's eSponsorship program. "Our site is proof that online giving can be more than a credit transaction."

Related Elsewhere:
Some of the charity mall sites mentioned in the article include: 4Charity.com, Createhope.org, iGive.com, Greatergood.com, and Charitableway.com.

Christian non-profits like World Vision and Food for the Hungry allow you sponsor a child or make other direct contributions online.

HitDonate.net tells how much various nonprofits are making online.

Other media stories about e-charity include:


E-charity isn't an efficient way to donate — The Holland Sentinel (Dec. 3, 2000)

The Business of E-Charity — Newsfactor (Aug. 8, 2000)
A Brave New World of Giving | Rapid rise of online 'portals' raises big questions for charities — The Chronicle of Philanthropy (June 15, 2000)

Online Philanthropy | Charity web sites let donors give with a click — ABCNews.com (Dec. 11, 1999)

Welcome to E-Charity — The Financial Express (Oct. 3, 1999)

Valley Talk: E-Charity — Fortune (June 18, 1999)

Earlier Christianity Today articles on giving and technology include:

Electronic Giving Struggles to Catch On | Despite benefits, automatic electronic transfers still rare in churches. (Jan. 31, 2001)

Nonprofits Tap New Donors with Internet Fundraising (Dec. 7, 1998)

IRS Spurs Nonprofit Disclosure on Internet (Jan. 12, 1998)

http://philanthropy.com/free/articles/v12/i17/17000101.htm

The above article from “The Chronicle of Philanthropy” looks at the rise of on-line giving “portals”. The text below is an excerpt. Note the point in boldface at the end.

“Businesses -- and a few non-profit organizations -- that have established such sites are betting that they will transform philanthropy, by cutting fund-raising costs and bringing charities many contributors they might never have reached through traditional solicitations.

But many seasoned fund raisers have their doubts. They say it's unlikely that large numbers of potential contributors will be attracted to these new philanthropic sites.

Among the obstacles: Donors might be put off by the percentage of each gift that some sites take to cover their overhead costs, as much as 15 percent in some cases, and by concerns the I.R.S. has raised about whether contributions made through some sites are tax-deductible. Perhaps more important, letting potential donors know a site exists and is worthy of visiting regularly will cost the sites many millions of dollars in advertising and promotion costs -- and could make it impossible for them to ever be self-sustaining.”

Other sources:

www.guidestar.org

http://www.guidestar.org/about/ (this page explains individual charities’ goals and mission)
A national database of nonprofit organizations
Gets 20,000 hits every day. Database of over 1 million charities and nonprofits, run by Philanthropic Research, Inc.
Mission: “to revolutionize philanthropy and nonprofit practice with information.”
Free.
Pros: Provides in-depth information on many charities, including financial transparency in many cases. Layout is attractive.
Cons: Financials, mission statements, etc. not standardized (charities choose level of disclosure). Presumption of interest. No feedback attached.

Also, I though you might want to know what eBay and AOL are doing as a charitable giving component of their websites.

Below is www.Networkforgood.com, founded by AOL Time Warner. There are links to a bunch of the “giving” websites in the lower right-hand box.

Network for Good enables you to search and donate to more than 850,000 charities online. Your donation is safe, secure, and private, and helps support the issues and causes you care most about.

Donation Options:

- Use the search options on the left to find a charity. When you find one you’d like to support, click the Donate button. Make donations to more than one charity at a time, and make gifts on behalf of your family and friends.
- Give a Gift Basket. Our 10 baskets are pre-filled with unique charity gift ideas grouped by different themes and causes.
- Create or find a Wish List. Wish Lists make gift-giving—and gift-receiving!—easier. Create a Wish List, and share it with friends and family. Or find a Wish List, and donate on someone’s behalf.
- Keep a Donation History. Create a Profile on Network for Good, and keep track of all your donations. This is a useful tool for record keeping around tax time or for tracking your annual giving goals.

Donating Wisely

- Stay prepared with these tax tips and resources.
- Get started with 10 tips on giving wisely.
- Follow these 10 tips for giving safely online.
- Check to see if your favorite charity meets the standards of the BBB Wise Giving Alliance, or passes the analysis of Charity Navigator.

Why People Donate

- Learn more about America’s tradition of giving.
• Read personal stories from people who donate.

Web sites where you can donate non-cash items:

• GiftsInKind
• Goodwill Industries
• InKindex
• MissionFish

Nonprofits

• Be sure to update your organization information and register volunteer opportunities.

eBay, by the way, hosts transactions that allow a portion of proceeds to benefit charities through a partnership with the non-profit group Missionfish. It is linked—though not very prominently, to the eBay home page: