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OTHER VOICES: Loosen your strings on charitable giving

By Mark Neithercut

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Loosen up, for gosh sakes.

Donors are increasingly putting strings on their charitable gifts. This "restricted giving" can be as simple as restricting a gift for the new library project at your alma mater or as complicated as requiring that your gift to the YWCA be used for equipment for the Saturday girls' (aged 6 to 8) soccer program.

Restricted giving requires that your gift be used for a very specific and often narrow purpose. Many wealthy donors are successful businesspeople who have a habit of rolling up their sleeves and getting involved. The result of this can be financial support for a very restricted set of activities that appeal to the donors.

On the other hand, unrestricted giving is a gift for the general operations of a charity.

The rise of restricted giving has been influenced in part by the occasional scandal in the nonprofit world, such as a CEO receiving astronomical pay. But these incidents are very rare and the vast majority of those running nonprofits are driven by a charitable impulse and are paid relatively meager salaries. (If you are concerned about these issues, the tax returns for nearly all nonprofits are available for review at www.guidestar.org.)

Restricted giving is killing our nonprofits. It is not uncommon for organizations to receive plenty of funds for a popular program, but have no money for basic items such as utilities and insurance. For example, it is quite common for art lovers to make gifts that are restricted to the purchase of art, but if the art museum cannot pay its light bill, funds for more art are not that helpful.

If you know a nonprofit and you have confidence in its executive and board leadership, give serious thought to making a gift for general operations this year.

If your favorite nonprofit asks you to support a specific program, ask them if a less restricted gift would be more helpful.

If you are making a restricted gift, ask the agency if your gift is covering all of the costs associated with the project you are supporting. Make sure that your gift will leave the organization stronger when it has been completed.

We are entering a difficult period, and our nonprofits are struggling with the same financial pressures that we are at home. The nonprofit community of metro Detroit plays a very important role in the ongoing health and vibrancy of our region.

As we enter the gift-giving season, loosen up those strings on your charitable giving. Our region will be the better for it.

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