

Do 100% of donations really go to the charity?



We've all heard it. "100% of your donation goes to the charity." This statement is proudly made and well-intended. And yet, it masks the very real costs and complexity of getting money to charities and nonprofits, especially when it comes to corporate giving. This myth doesn't help anyone—charities, donors or companies.

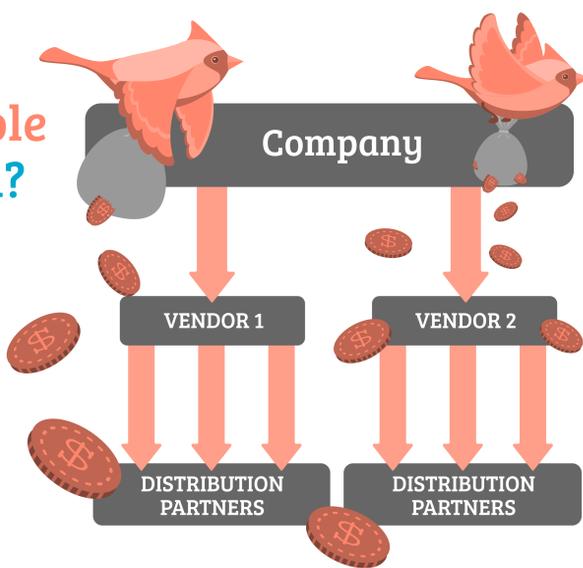
How does corporate giving work?

There are lots of ways companies and their people choose to give back to the causes they care about. And companies often use a different third-party vendor to manage each of the separate elements of their corporate Goodness programs.



How are charitable funds distributed?

The third-party vendors that companies use to manage their program(s) often don't (or can't) handle the crucial process of sending money to the charities. And that means they may have to outsource to a patchwork of other vendors to get money to charities.



"There is always a cost associated with giving, even if the donation is made directly on a charity's website. Unfortunately, because of a lack of real information about the true cost of charitable giving across the sector, many companies and donors unintentionally make donations in ways that actually cost charities more, particularly when it comes to lost opportunity related to corporate matching funds."

— Tom Bognanno, Community Health Charities

So, what's the bottom line on this?

In this scenario, even if your corporate giving vendor says 100% of the funds goes to the charity, it's just not possible. Their outsourced charity distribution vendors are charging anywhere from 4-25% of the donation in payment processing fees.

That doesn't sound like 100% of the donation to us.



Once the charity distribution vendors have the funds, they have two options for sending them to charities: check and electronic fund transfer (EFT).

The industry has some catching up to do when it comes to electronic payments. Some vendors only send checks, and other vendors primarily send checks even when they offer EFT.

CHECKS

- ⊗ Are more expensive than EFT
- ⊗ Too easily get lost in the mail
- ⊗ Can become stale dated if they're not deposited in time
- ⊗ Can't be accepted by charities in some countries, because they're obsolete



The hidden costs of donations



CHECK

- Postage Costs
- Receive & Process Donation
- Create Donor Record
- Record Donation
- Create Tax Receipt
- Send Receipt
- Prepare Bank Deposit
- Record Bank Deposit
- Make Bank Deposit
- Bank Deposit Fee



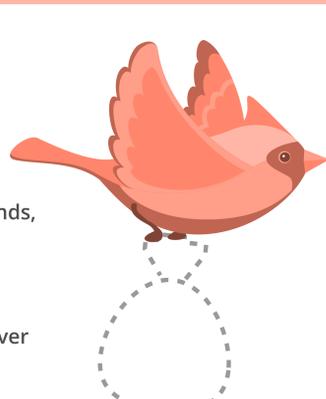
EFT

- Payment Notification
- Create Donor Record
- Record Donation
- Create Tax Receipt

Charities can lose up to 35% of your donation

No matter which way vendors are disbursing corporate giving funds, the costs are too high—especially when it comes to checks.

Between fees from third-party vendors (and their distribution vendors!), and the costs to process and record donations, and to create and send tax receipts, up to 35% of your donation may never make it to the charity through traditional ways of disbursing corporate giving funds.



There's a better way to get donations to charities



Benevity makes it easier for enterprise companies to manage their workplace giving, volunteering and community investment programs, and for charities and nonprofits to receive donations. Our all-in-one solution means companies only need to work with one software partner to manage all aspects of their corporate Goodness program, and our seamless proprietary distribution process ensures more than 95% of funds get to the charity. It just makes sense.



We send aggregated payments from our entire client community to charities and nonprofits around the world, drastically reducing the number of individual payments they need to manage



Our software automatically sends tax receipts and thank yous to donors so the charities don't have to—freeing up more of their time so they can focus on their mission



We're leading the industry in payment efficiency and accuracy (by a large margin!), because we send 87% of all funds by EFT

Ready to see how Benevity can help your company get the most funds to charities?

www.benevity.com/request-a-demo