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NONPROFIT GOVERNANCE & TAX-EXEMPT ORGANIZATIONS LAW ALERT

New York Attorney General Issues Report on Professional Fundraising for Charities

Last month, New York Attorney General Eric. T. Schneiderman released his "Pennies for Charity: Where Your Money Goes; Fundraising by Professional Fundraisers" report, which provides insight into how one-third of monies donated to New York charities in 2015 ended up in the pockets of professional fundraisers. The report concludes that of the nearly $1.1 billion raised through campaigns conducted by professional fundraisers, the charities retained just 65.5% while the professional fundraisers kept 34.5%.

Other findings from the report include:

- In approximately 20% of the campaigns covered in the report, the charities retained 70% or more of the funds raised, meaning 30% or less went to professional fundraisers.
- In 54% of the campaigns the charities retained less than half the funds raised.
- In 17% of the campaigns the fundraising expenses exceeded the revenue, causing the charity to suffer a loss.

The report also offers tips for donors, including guidance for responding to solicitations. The website https://www.charitiesnys.com/ provides access to the report and serves as a one-stop resource for charitable organizations, fundraisers, grant makers, and members of the public.

You can view the Attorney General report here:
https://www.charitiesnys.com/pdfs/Pennies_Report_122216.pdf

Please visit our Nonprofit Governance and Tax-Exempt Organizations Practice webpage to learn more about the legal services we can provide this area. Contact one of our attorneys identified below if you would like more information on this issue.

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