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## A Guide to Donating to Charitable Medical Organizations

As physicians we are often asked to give our time and money to charitable medical organizations. With so many groups working on health issues, how can we best decide where to focus our energy and donations. Is it more important how much we give, what we give, or how we give, and what things do we really need to consider before contributing to charity. You are listening to ReachMD, The Channel For Medical Professionals. Welcome to The Clinician's Roundtable. I am your host, Dr. Jennifer Shu, Practicing General Pediatrician and Author. Our guest is Dr. Cliff O'Callahan, Pediatrician in Middletown, Connecticut and Chair of The American Academy of Pediatric Section on International Child Health.

### DR. JENNIFER SHU:

Welcome Dr. O'Callahan.

**DR. CLIFF O'CALLAHAN:**

Same to you for having me Jennifer.

**DR. JENNIFER SHU:**

Now as physicians we may be bombarded by request to give our time, money, or medical supplies to different organizations. That is not too surprising since individual donations do make up the bulk of charitable giving in the US, but how can we best discern which organizations should receive our contributions, and I am talking both domestically and internationally now.

**DR. CLIFF O'CALLAHAN:**

Yeah, you know, that is a great question and I think a lot of people if you ask them, would come out in different ways. I think it is really important when we give our money or time or decide what we buy, that we put some time and thought into it because it is allowing a group to work on our behalf to do something. Whether it is our local United Way **(01:30)** or an international aid organization. That is the ideal scenario, that we look into it and maybe check out that the organization really uses our money in an effective way. The reality I think is very otherwise and I say that because when chatting to people about who they donate to and why, I universally get that, oh its groups that I know. Its people I know or connections with friends or neighbors that have introduced me to charity, whether it be local or international, and yet I really do feel that first some due diligence that if we are going to be giving something that we make sure that it is an investment in the direction or effort that we have chosen to give.

**DR. JENNIFER SHU:**

How can you determine what a groups actual mission is and what their philanthropic goals are, what their activities are, or is it important to just participate in their functions yourself either as a volunteer or an observer or is just looking them up online is enough.

**DR. CLIFF O'CALLAHAN:**

You can get an awful lot of information about organizations these days. There are a number of great web sites where you can get all kinds of information. You can get their most recent few years financial statements, you can get who their CEO is and their compensation. **(03:00)** You can get their mission statement, the areas in which they work, how much they have in assets and really evaluate them, but again I am not sure that lot of people do that. I think people get involved and donate because they know somebody or have been touched and I think the more you are involved though the more committed you are to be a long-term donor. If somebody is going to be donating with United Way and then for example be involved in The Day of Caring or a local soup kitchen and to go and volunteer their, you become a committed funding participant in that effort. Certainly in international efforts I think if anyone of us who have been involved with an NGO abroad, if they have influenced us positively, we tend to be long-term committed givers to that cause. When you are part of something I think you tend to support and believe in it more. So I do think it is important to be involved on a personal level as well as check it out.

**DR. JENNIFER SHU:**

You mentioned long-term donations or commitment. Now how important is that compared with maybe giving a large lumpsum just once?

**DR. CLIFF O'CALLAHAN:**

I think both ways are very valid for whatever the reality for most of us who are not near retirement and **(04:30)** it is probably not universal, but I think many for the large, larger lumpsums of stock or annuities or endowments are done maybe when we are towards retirement. Those are wonderful if well placed. The reality for most of us is small consistent amounts to those groups that we really believe and then choose to give and that's what lends a group an ability to function to have some security that okay, we have this cadre of committed funders and therefore our ability to plan for the next year can be a bit

more stable from a recipient point of view from somebody who has worked within the NGO to know that there are constant stable funders, allows you to work with a bit more confidence knowing that next year you can do what you are doing with people this year.

**DR. JENNIFER SHU:**

Now as an NGO is it important to have the lowest overhead expenses possible. I know people look at the ratio of, you know, the person that is spending that actually goes to the program.

**DR. CLIFF O'CALLAHAN:**

Yeah! The ratio, I think, for an NGO it is important if they wish to attract funders because what it says is that the fees or the salaries that they are paying themselves and to run the office is not a significant portion of the donations that we give. There are standards that the charitywatch.org, they say it is acceptable that at least 60% of revenue is spent on programming. **(06:00)** However, good programs, organizations should be spending more than 75% on the programs and not on administrative costs and then there is the issue of how much do they spend in order to raise \$100. For every \$100, do they spend \$5 or \$25 or \$50 and I think that's another effective way of looking at an organization.

**DR. JENNIFER SHU:**

Is there a percentage that is considered acceptable for the costs of fund raising?

**DR. CLIFF O'CALLAHAN:**

Well at some of the places, it is a level of below \$35 to raise \$100 is acceptable, although in my mind and for many in order to get an A rating, you really should be spending less than \$25 to raise \$100, and I think some good organizations can do it for less.

**DR. JENNIFER SHU:**

If you have just joined us, you are listening to The Clinician's Roundtable on ReachMD, The Channel For Medical Professionals. I am your host, Dr. Jennifer Shu. Our guest is Dr. Cliff O'Callahan, Pediatrician and Chair of The American Academy of Pediatrics Section on International Child Health. We are discussing the best ways to give to charitable medical organizations.

Now what about involving the beneficiaries of the program in the planning process. Is there a way to tell if an organization does that and is it important that they are involving the people who are benefitting from their work? (07:30)

**DR. CLIFF O'CALLAHAN:**

Jennifer that is an awesome question and I have not actually heard that or heard discussion about that very much. I have not seen that that is a question that they ask to my knowledge on some of these evaluative sites or reports and I don't know that many programs do that, and of course I am thinking of the ones that I am more familiar with, either the international aid organizations or long-term community development organizations. Do they really ask the recipients, I don't know. I think it would be important, I am not sure that many do that.

**DR. JENNIFER SHU:**

So that might be a good question to ask, maybe do they have somebody on their advisory board who is helping guide to make sure that what they are doing is actually meeting, you know, the beneficiaries needs.

**DR. CLIFF O'CALLAHAN:**

I think that would be a great way to move.

**DR. JENNIFER SHU:**

Do you have any feeling about whether it is different when you are donating to US Medical Charities versus international ones. Is it more important that we give domestically versus internationally or vice versa, how does one decide or is that more of just a personal philosophy?

**DR. CLIFF O'CALLAHAN:**

I think the latter, I think it is a personal philosophy and that is really based on so many things, how we were raised and our vision of this globe. I really do think it is important that if we are giving locally that we think of the larger community that we live in. So if we have a chunk of money that we have decided as a family to donate to charities, a logical way might be to split it (09:00) up into our regional community, our national community, and our global community. I am not sure that there is many people who think of it that way, but that is certainly how I and some others have structured our giving, then from there one has to go through a process of discernment to figure out what is important to you. There are some people who really have no interest in what is going on far away out of their vision and sight while others find it much more gripping and are willing to part and share with their gift to an organization who might be providing disaster relief or working with refugees or orphans. I think giving really reflects the incredible variety in all of us and so no one person is going to do it in the same way, but it is going to be reflected on their world vision.

**DR. JENNIFER SHU:**

When one does decide to give, do you have a recommendation whether it is more worthwhile to give cash versus your time versus maybe medical supplies or other supplies?

**DR. CLIFF O'CALLAHAN:**

All of the above are valid and wonderful, cash obviously lends a lot more possibilities to what an organization can do with the gift. If you give your time that brings up whole other conversations about whether your small investment in time, whether it would be a couple of hours working for Habitat For Humanity or in a soup kitchen or at a free clinic **(10:30)** or spending a week and going to Guatemala or somewhere in a medical visit, is that really making change and is that the most worthwhile use of your time. I would say that in many cases, you may not be giving an awful lot, but you receive an awful lot in those experiences and they often touch our lives so that we are more willing to part with the monetary part, the gift which in turn through those programs, they can use them as they see fit, hopefully in good ways. You now there is another area in may be not giving, but in buying. We can decide what kind of clothes and food we buy that directly effect how people live in other areas whether we are buying Fair trade Coffee for example, can be a way of giving because often times we may have to pay more for it than the regular coffee, but in so doing, we are giving to those kind of organized communities who are more likely to earn a living wage for the crops they give. In one sense that is an ongoing easy way to give. So we can look at giving in all kinds of ways.

**DR. JENNIFER SHU:**

Now what about your mentioning for cash donations that an organization could use it as they see fit. What are your thoughts on maybe directed donations where you can specify that I want my funds to go to X project or X program. **(12:00)**

**DR. CLIFF O'CALLAHAN:**

There is some real validity to that, I think that really speaks to peoples specific interest and so for me to specify when I give something to say the Academy of Pediatrics that I wish it to go in say the Resident Travel Grant or to support I-Catch that it goes to a specific thing, I like that and I am more likely to give

and yet at the same time I for one, when I do that to either the academy or to my United Way will also put portion of it to general funds because as recipient of that say my working within the United Way, we spend a lot of time working on figuring out what is needed in the community and investing the money to develop programs that maybe somebody isn't going to be that interested in yet, but as we develop it then they may specifically request that their money goes there. So you need both things. I think some of the specific donations will attract more money for an organization and we get to see and feel that we are doing something in that particular area that moves us. It can make a little bit more work for the organization that receives those, but I think it washes out and has an overall benefit for them.

**DR. JENNIFER SHU:**

I was hoping you could tell us maybe where physicians can go to get more information before contributing to an organization? **(13:30)**

**DR. CLIFF O'CALLAHAN:**

Well there is a whole bunch of wonderful sites on the web. There is The Better Business Bureau has a nice one at give.org, there is charitynavigator, there is the American Institute of Philanthropy. We have those sites listed on for example the section of international health. On our web site, we have those listed in one of our books, but I think simple search on the web will get you to these sites also and they are very easy to navigate. I think our local United Way have nice publications that they put out towards the end of the year that help us try to figure out the rationale for giving things other than cash. So there is lots of information out there.

**DR. JENNIFER SHU:**

I would like thank our guest Dr. Cliff O'Callahan. We have been discussing the best ways to give to charitable medical organizations. I am Dr. Jennifer Shu. You have been listening to The Clinician's Roundtable on ReachMD, The Channel For Medical Professionals.



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