

Asking for donations, either cash or 'in-kind' goods or services, is one of the most frequently used methods of gaining resources. Successful campaigns for donations are structured around two principles:

- **It's an investment**
You're offering your prospect a chance to invest in the solution of a problem, or towards a group or cause, that they, too, have a human interest in addressing or contributing to.
- **Have the prospect identify with you**
Place the prospect in your shoes, so that they'll feel the way you feel and give the way you give.

Among the more important preparation points for receiving donations are:

- **Settle on your "ask"**
Make sure you know what you are going to ask and how you are going to ask it. Plan as a group, the method and wording of your donation request - with allowances for a slight variation if needed.
- **Check on your DGR status, or the possibilities of gaining DGR status.**
Having DGR (Deductible Gift Recipient) status means your charity or non-profit organisation is entitled to receive tax-deductible donations. Obviously, not every group is eligible for DGR status, but go to the trouble of checking anyway; you never know - you might be able to gain DGR status and become more attractive to prospective donors.
- **Decide on what you want - in terms of goods or money - donated to you.**
Your organisation needs to decide what it actually needs or wants to receive in the way of donations. Are you after money or goods? If it is the latter - what type of goods would you prefer?
- **Decide on your target sources for donations.**
Who - specifically or in general - will be your prime targets for donations? This decision may be shaped by what you are appealing for - for example: a certain type of goods.
- **Decide on how you can receive donations.**
Will people be able to donate to you by cheque through the post? By credit card? Through an online giving facility on your website (or the Australian Giving Centre on the Our Community site)? A combination of a number of methods?

Whatever the case may be, make sure these donations receipt points are ready for use and that the relevant technology or personnel are in place to receive the donations.



Deductible Gift Recipient Status

If you are a DGR, then Donors can claim income tax deductions for gifts to in their income tax returns, but there are rules about what sorts of organisations can claim DGR status, and about the types of deductible gifts. To become a DGR your organisation must meet the criteria and requirements set out in income tax law.

For a full listing of DGR categories, refer to the Australian Taxation Office document *DGR table - General Categories - Gift Pack for Deductible Gift Recipients & Donors*.

To *gain* DGR endorsement from the tax office, you generally need to:

- Fall within one of those general DGR categories
- Have an Australian Business Number (ABN)
- Maintain a gift fund, and
- Be in Australia.

To *maintain* their endorsed status, most DGRs will generally need to:

- Include specific information on receipts
- Self-review their entitlement to DGR endorsement, and
- Be in Australia.

As there are a number of requirements in ensuring your group is eligible for DGR status, there are also requirements when it comes to people claiming deductions for gifts to a DGR. The payment must be:

- Truly a gift
- Made to a DGR
- A gift of money or a certain type of property, and
- Comply with any relevant gift conditions.

There are a number of types of payment that are not classed as gifts - more information on which can be found by contacting the Australian Taxation Office.

For more detailed information on DGR status, refer to the Australian Taxation Office publication *Tax Basics for non-profit Organisations*.



E-Donations and Payroll Giving

Many of the larger Non-profits now allow you to make donations directly from their website. There are also a range of websites that enable your organisation to place a 'pitch' for donations and process an online transaction.

For example, you can use the www.OurCommunity.com.au online donations service which will allow you to take credit card donations 7 days a week, 24 hours per day. Along with collecting donations via the internet, you will also be able to promote donating by phone, fax, post and leaving a bequest to your organisation.

Payroll Giving involves donors signing an agreement for direct debit from their employer at point of wage payment, or from their bank account, usually monthly.

