

SCSL Digital Collections

Crowdfunding & online giving

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Before making a donation—whether online, over the phone, by mail, or in person—the Secretary of State’s Office recommends that you always:

CHECK to see if the charity is registered to solicit in South Carolina. Use the Secretary of State’s Charity Search feature at sos.sc.gov to review the organization’s registration status and most recently filed financial report.

ASK the name, location, and purpose of the charity. Also ask how much of your donation will be used for charitable programs, and how much is being used to pay for fundraiser services.

NOTIFY the Secretary of State’s Office if you have any questions or concerns about a charity, a professional fundraiser, or a raffle. You can file a confidential complaint by using the Online Charitable Solicitation Complaint Form on the Secretary of State’s website at sos.sc.gov.

If you have any questions or need more information about charity soliciting in the State of South Carolina, please contact the Secretary of State’s Division of Public Charities.

Division of Public Charities

Phone: (803) 734-2170

Toll-free: 1-888-242-7484

Email: charities@sos.sc.gov

Web: sos.sc.gov

“The digital age has brought new ways for South Carolinians to exercise their generosity, but the same guidelines should be followed regardless of how you donate. As always, be sure to give from the heart, but please give smart.”

Mark Hammond

South Carolina
Secretary of State



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Crowdfunding & Online Giving

*Wise
Charitable
Giving
in the
Age of
Social Media*

SC Secretary of State
Mark Hammond

In the age of social media, donors can donate to their favorite causes with a click of a button. This speed and efficiency, however, brings a new set of challenges to consider. Before donating through a digital platform or in response to a social media campaign, be sure to ask the following:

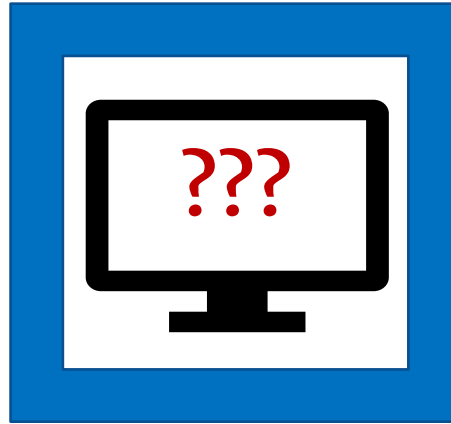
Q. Who am I donating to, exactly?

Everyone knows that on the internet, things are not always what they seem. This is also true with charitable appeals. You may believe that your donation is going to a specific cause, but it may be going somewhere else entirely or take some detours on its way to its final destination.

For example, a crowdfunding platform may not immediately transfer a donation to a charity, or may reserve the right to give the donation to a different charity. You may find that you have donated to a charity affiliated with the platform rather than your intended recipient. Be sure to read the crowdfunding platform's terms of use to see exactly how your donation will be processed before you donate.

Furthermore, be extra careful with disaster relief campaigns. Fundraising campaigns often appear right after a disaster, but can disappear just as quickly.

In these instances, be sure to give to organizations with a long track record of helping those in need and providing transparency to donors.



Q. How much of my donation will the charity receive?

Crowdfunding platforms do not provide their services for free. Often, they retain a percentage of donations received or rely on “tips” from donors to pay for their fundraising platforms. Some platforms charge a fee to the charity to “claim” funds donated in their name. It is important that the donor read the fine print to see how the crowdfunding platform is funded and to determine how much of their donation will reach their intended target. You always have the option of donating directly to the charity.

A charity should also alert the Secretary of State's Office if a crowdfunding site or other online giving platform is using its name without permission, as it is a violation of the Solicitation of Charitable Funds Act to do so.

Q. Is my donation tax deductible?

Organizations can apply to the Internal Revenue Service (IRS) to be granted 501(c)(3) tax exempt status. Donations to 501(c)(3) charities are tax-deductible, whereas donations to other entities are not. Donors may verify 501(c)(3) status online at <https://apps.irs.gov/app/eos/>.

Additionally, donations to individuals are not tax deductible. Crowdfunding platforms often provide services to persons soliciting funds for private use as well as fundraising campaigns for bona fide charitable organizations. Generally, charitable organizations are accountable to donors through public registration and reporting requirements. When you donate to an individual, you are essentially giving that person a gift with no strings attached.

Finally, do not assume that social media sites and crowdfunding platforms vet the organizations and individuals that use their services. You must always do your own research.