

American Outreach Foundation

Donation Policies

Answers to Common Donation Questions

What Percentage of Donations Does AOF Spend on Fundraising?

AOF seeks to be efficient and frugal in all organizational activities, including fundraising activities. Since 2007, all of AOF's fundraising expenses have been paid by the earnings from a generous, unexpected bequest received that year and several other such legacy gifts since.

Because AOF is able to cover its modest fundraising expenses in this manner, zero percent of donated funds go to the organization's fundraising activities.

Although not paid by donors' gifts, AOF's fundraising expenses are, of course, disclosed and reported as required. Fundraising expenses average about 2 percent of the total cash revenue received by AOF annually.

It's important here to emphasize the distinction of cash revenue in relation to fundraising expenses because AOF also typically receives significant donations of medications and supplies, many of which have a high financial value. Such in-kind donations must be recorded and reported as revenue. Indeed, the vast majority – typically more than 90 percent – of AOF's annual total revenue is in the form of in-kind medical donations. In recent years, the financial value of in-kind medical donations has exceeded \$1 billion annually.

Although such in-kind donations are revenue, they obviously cannot be and are not used to pay fundraising expenses. So, it can be both confusing and misleading to present the organization's fundraising expenses as a percentage of the vastly larger total revenue, which includes in-kind medical donations, than the cash contributions it receives. That's why we call special attention to this.

AOF understands from long experience that members of the public are often keenly interested in the basic question, "How much of my cash contribution will you spend on fundraising?"

In AOF's case, the answer is "Zero" because, as noted above, the organization is very fortunate to have the means to pay such expenses with funds previously received by bequests.

How can I be assured my donation is going directly to people in need?

AOF's donation policy ensures that 100 percent of all designated contributions for specific programs or emergency responses are used only on expenses related to supporting that program or response.

By clarifying that AOF may use your contribution wherever most needed, you allow the organization to strengthen the long-term health systems that are vital to vulnerable people around the world and respond to emergencies that do not receive widespread attention. AOF commits to spending your money in the most productive, efficient way possible.

If you wish to restrict the use of your donation only for a specific purpose or area, AOF will honor that wish or tell you that it cannot and offer to return your contribution. AOF has not and will not collect money for what may appear to be a specific incident or purpose with the intention of using it for other purposes.

How is AOF Funded? Does AOF Accept Government Funding?

Unlike many other nonprofit organizations, AOF does not rely on any funding from government grants. Support comes entirely from private individuals, associations, foundations, and businesses who entrust AOF with resources so that it can fulfill its humanitarian mission.

Ensuring Donor Intent

To ensure that donors have the ability to communicate their intention regarding a gift, AOF's online donation page allows people to provide instructions for how a donation is to be allocated among AOF's various program activities, including specific emergencies. Other methods of contributions, such as by check or wire transfer that include a notation in the check memo line or accompanying correspondence also will be considered as an instruction to restrict the gift for particular program activities.

No Emergency Funds are Used for Fundraising Expenses

100 percent of AOF's fundraising expenses are paid by the earnings from a generous, unexpected bequest received in 2007 and several other such legacy gifts since. This means that no portion of any emergency contribution (or any other contribution) will be used for fundraising purposes.

What Restricted Funds May be Used For

Emergency contributions will be used only for emergency-related programmatic costs and administrative expenses directly related to the emergency response activity. Programmatic costs include those related to purchasing, storing, transporting, and distributing essential medical material to affected areas and the costs of programmatic staff and related travel for emergency relief assistance functions. Directly related administrative expenses include credit-card processing fees associated with the receipt of emergency contributions; accounting fees associated with managing emergency funds; postage related to issuing receipts to emergency donors; banking fees related to wire transfers of emergency donations; warehousing and packaging of medical material; and IT support costs that are necessary to conduct emergency-related programmatic activity (such as inventory management of medical material being provided in the relief effort).

General, unrestricted financial support is essential for AOF to fulfill any of its deeply compelling humanitarian activities, including being able to respond rapidly to any emergency. Such unrestricted contributions always are needed and deeply appreciated and enable AOF to assist people in many places and situations that do not make the news.

However, AOF is obligated to—and will always—honor the intent of a donor-designated financial contribution. If a donor were to make a clearly restricted gift for a purpose or with a restriction that AOF is not able to fulfill or comply with, AOF will advise the donor of this situation and inquire if other uses may be permitted. In the event that a donor's intent cannot be met by AOF, the organization would offer to direct the gift to another nonprofit that would be able to fulfill the donor's intent or return the gift.