

Selfish Giving
Presents

THE TEN

COMMANDMENTS of cause marketing law

WIN

Cause marketing campaigns should be a win for company, charity & consumer.



Be transparent. Share all the details of the campaign with consumers (see below).



State donation amount based on purchase price. Avoid "portion of profits" or "% of net proceeds."



At point-of-sale, state campaign period, donation cap, and minimum donation, if any.



Several states require companies to register/file before launching campaigns.*



Most states require a contract or written consent of the charity before fundraising begins.



Use of a nonprofit's name on a partner's product could suggest endorsement if charity has related expertise.



Nonprofits that promote the sale of a biz's products may be subject to unrelated business income tax (UBIT).



Some states have a 10-15 day contract pre-filing requirement. Don't wait 'til the last minute!

Joe Waters writes the web's leading cause marketing blog, Selfish Giving.



1. THOU SHALT COMPLY WITH THE LAW



Non-compliance could mean fines, penalties, bad publicity. Everyone loses!

2. THOU SHALT NOT MISLEAD



Yoplait faced regulatory action after insufficiently disclosing the donation cap on its *Save Lids to Save Lives* campaign.*

3. THOU SHALT CLEARLY STATE DONATION AMOUNT



E.g. On World Aids Day, Starbucks gives 10¢ from every drink sold in U.S. & Canada to fight AIDS.

4. THOU SHALT MEET BBB STANDARD #19



Be clear if a purchase DOESN'T trigger a gift.

5. THOU SHALT REGISTER/FILE, IF REQUIRED



Ask the charity if it's registered to solicit funds in all applicable states

6. THOU SHALT ENTER INTO A WRITTEN AGREEMENT



A contract clarifies expectations & responsibilities between partners.

7. THOU SHALT AVOID UNINTENDED ENDORSEMENTS



The maker of Tylenol paid a fine for allegedly misleading consumers on a product with Arthritis Foundation name.*

8. THOU SHALT BE AWARE OF UBIT



Charities should consider UBIT when publicly acknowledging partners and campaigns.

9. THOU SHALT NOT WAIT UNTIL THE LAST MINUTE



Work with your legal team to meet deadlines and to ensure a smooth campaign.

10. THOU SHALT SEEK ADVICE FROM GOOD ADVISORS

Karen Wu, Perlman & Perlman, is a leading advisor on cause marketing law.



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* Sources (By Commandment):
C2: "Disclosure Runs Into 140-Character Limits," NYT, Nov. 10, 2010
C5: For a list of fundraising registration requirements, visit: <http://Selfishgiving.com/blog/cause-marketing-law>
C7: "A Foundation's Costly Lesson," Atlanta Business Chronicle, Oct. 28, 1996

This infographic is a resource, not legal advice

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