

Smarter Giving, Effective Charities

Give Smart Give Safe

A practical guide for Muslim Donors

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Overview

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Welcome to our Give Smart Give Safe Guide

Who are MCF?

Muslim Charities Forum is a network of British Muslim Charities that works for social good in the UK and abroad. We aim to collectively build a more accountable, transparent and efficient British Muslim charitable sector.

Our Give Smart and Give Safe campaign is a public awareness project for the sole purpose of helping donors make informed decisions when giving to charities to ensure their donations reach those in need and protect their giving.

Over time, through research, monitoring social media and being privy to complaints and concerns raised about charities, we noticed a common theme of concern around three main areas – **transparency, efficiency and trust.**

From our anecdotal experience and preliminary research, it was clear that donors have a lot to say about charities, both positive and negative, and were eager to invest their time and effort in helping the sector improve.

Ultimately, we at MCF, **aim to set a new standard in the sector** through this campaign whereby we are empowering donors to feel confident and content that they have done all they can to fulfil their charitable duty and charities will in turn operate at a higher, more effective way.

**'Smarter giving,
effective charities'**

Our faith gives great importance to the act of giving as the Prophet Muhammad said **'The most beloved people to Allah are those who are most beneficial to people'** (Al-Mu'jam Al-Awsat).

Furthermore, we estimate during 2023, British Muslims managed to raise £150 million during the month of Ramadan alone for UK and international causes.

With the growing advancement of technology resulting in more and more donations being raised online, **it is important to ensure you are donating in a smart and safe manner.**

Hence, this guide is to ensure your donations reach recipients securely and are utilised in the most effective way possible.



Charity Registration



CHARITY COMMISSION
FOR ENGLAND AND WALES

What is Charity Registration?

Charity organisations with an income of over £5,000 per annum must apply to register the charity with the Charity Commission.

Why is Charity Registration important?

Charity Registration lets the public know that the charity is a legitimate organisation and is being regulated by the Charity Commission.

The Charity Commission are accountable to Parliament and ensure charities comply with charity law; this way donors can trust the charities they are donating to.

Essentially, the role of the Charity Commission is to 'register' and 'regulate' charities in England and Wales. In Scotland, charities are regulated by the Scottish Charity Regulator.

Our research found...



of Muslim donors do not always check if a charity is registered with the Charity Commission.

#BESMART

How do you know if the charity is registered?

The best way to know if the charity is registered with the Charity Commission is to look for a registration number on their website or visit www.gov.uk/checkcharity and search for the charity's name.

For Scottish charities www.oscr.org.uk



Conducting Research

There are five areas that you can easily and independently research to check whether or not a charity is operating well.

These are:

- ✓ Transparency
- ✓ Impact
- ✓ Finance Management
- ✓ Trustees
- ✓ Size & History

1. Transparency

It is important that charities are transparent and openly provide information to the public about who is running the organisation, its mission, activities, finances, and decision-making processes.

Transparency and accountability indicate that the charity takes seriously its responsibility for building trust and confidence in its work, therefore boosting credibility with donors.

Take a look at your chosen charity's website, how easy was it to find out about their management, current projects and finances?

2. Impact

Impact refers to the difference a charity makes in terms of the types of projects they do. It is important to identify how a charity organisation measures and provides evidence for the impact they make or are making. Usually, this is found in a charity's website usually under the 'About Us' section.

An indication that a charity will use your donation efficiently is if effectiveness is part of their mission or strategy. The charities that are focused on effectiveness will run programmes and initiatives that are supported by both evidence and reason.

Lastly, it is crucial to keep track of your donations, how they are being handled and checking if your contribution has made a real difference.

Does the charity you choose to donate to report on the impact and the success of their work?





3. Financial Management

Financial management involves overseeing a charity's money and ensuring it is being dealt with and handled in a correct and transparent way.

The Charity Commission's website should allow you to review a charity's financial history, accounts, and annual returns alongside their assets and liabilities.

Be cautious of an indication on their record of when charities do not file their accounts on time, as it shows a potential lax on the management of their finances.

4. Trustees

The trustees in a charity are the people who share ultimate responsibility for governing a charity and directing how it is managed and run.

It is crucial to check who is on the board of trustees in a charity and ensuring such individuals have the relevant experience and/or background in running a charity. This information should be found on a charity's website, potentially under an 'About Us' section.

Ideally the organisation's board should reflect the diversity of the community it is serving.

5. Size & History

The size and history of a charity organisation does not necessarily dictate the impact of a charity however it is still important to know this information as a donor.

Researching when the charity was established, the size of it, the area/s of expertise, or the specific projects or country they focus on are all relevant information when selecting a charity to donate to.

Research shows larger charities have a greater reach whereas smaller charities are distinctive and often have a strong local support due to their position in their community.

However, it is important to distinguish the impacts of both small and large charity organisations as both bring benefits and this is where the history or background of the organisation ties in.

Some donors prefer to donate to smaller organisations believing it will make a bigger impact whilst others donate to larger organisations since it is more well known to them.

Rather, a donor should research into the track record of the organisation and the specific projects they deliver, such as water wells, crisis response etc., and the outcome of these.

Lastly, it is crucial for donors to not place total importance on the size of an organisation but rather the history, leadership and culture of the organisation, as well as the specific projects the organisation specialises in. (Specialism is covered in further detail on page 14).



How do I donate safely online?

Donate Directly

To ensure your personal details are protected when donating online, donate directly to the charity website as some third-party platforms may charge a fee.

Website Address Bar

When donating check if the charity's site is safe, a secure website will have a padlock near the URL. Our research found only **30%** of Muslim donors check if the website they are donating through, has this.



Keep A Record

Keep a record of the donations you have made; make sure to save a copy of the confirmation on email you receive after donating.

If you do not receive a confirmation, contact the charity to ensure your donation has been received.

Scams & Spam Emails

It can be difficult to discern what is real and what is a scam. Be extra cautious when reading emails purported to be from charities.

Avoid clicking on any links from unknown senders or chain emails. It is best to simply donate directly to the charity via their website.

Check Once and Check Again

A donor has the right to ask questions and express any concerns they may have. If you have any questions or simply want more information, a charity should provide you with the answers and reassurance that you need.

Worst Case Scenario

If you think that you may have been the victim of a scam, contact your bank immediately.

Fundraisers

Many people participate in crowdfunding and fundraising on behalf of charities, which is a great way to donate to a charity. However, hold your donations and first check if it is genuine!





How can I do this?

If the fundraiser is raising funds on behalf of a charity, then the fundraisers should always feature the charity's name and registered number.

- ✔ Check the details ahead of your donation, to ensure you are not sending money to a personal bank account.
- ✘ Often in times of crises, people tend to receive an influx of chain messages (usually on WhatsApp) urging you to donate to an individual or on behalf of an individual abroad. It is important to be vigilant during these times, and as tempting as it may be, refrain from sending money to personal bank accounts, as often there is no way of verifying where your money is going to. Although your intention is to help, the most effective way to ensure your donations are being dealt with properly is to send money directly to a registered charity.

However, there may be times where the fundraiser is on behalf of an individual and linked to a specific charity i.e., a Go Fund Me, in these cases it is recommended to carefully consider the following:

How is the organiser related to the intended beneficiary of the donations?

What is the purpose of the fundraiser and how will the funds be used?

Are immediate family and friends making donations and leaving supportive comments?

Is the intended recipient in control of the withdrawals? If not, is there a clear path for the funds to reach them?



Street Fundraising

Fundraising is not only done online – but another common form is street fundraising. Street fundraising is normally conducted in public places such as outside places of worships, train stations, on the high street and outside shopping centres.

However, many individuals unfortunately use street fundraising to exploit our community. Therefore, it is crucial to ensure the fundraiser is genuine by following the steps:

- ✔ Always ask for ID/ Charity Registration
- ✔ Always ask for a license
- ✔ Enquire about the cause
- ✔ Check for sealed buckets



The Relationship between Zakat & Ramadan

A common misconception in the Muslim community is that Zakat must be paid during the month of Ramadan.

Although many Muslims typically choose to pay their Zakat in Ramadan due to the reward for deeds being multiplied, it is important to distinguish these two are not connected.

Zakat must be paid 12 lunar months after your wealth reaches the nisab (which is the minimum amount that a Muslim must have before being obliged to give Zakat). Therefore, your Zakat is not necessarily due in Ramadan and should not be delayed.



'When you pay Zakat on your wealth, then you have done what is required to you.'

Sunan Ibn Majah



Zakat Compliance

What is Zakat Compliance?

Zakat Compliance refers to 'the payment of zakat in accordance with zakat regulations imposed by zakat authorities based on zakat principles in Shariah (Islamic Law)'

When donating your Zakat, check the charity's website for information about their Zakat policy and their Zakat advisory board.

Our research found 70% of people do not always check if the charity they give their Zakat to has a Zakat policy and scholar advisory board.



How do I check if the charity is Zakat Compliant?

- ✓ Check for a Zakat Policy entailing how they spend the Zakat money – this should be accessible on their website.
- ✓ Check if the charity has a scholar's board that checks the validity of its Zakat policy – the scholars should ideally be named on their website.
- ✓ The charity should precisely explain how exactly the Zakat funds are dispersed in its annual accounts.



Admin Cost

What is an admin cost?

An admin cost is a portion of your donation that funds the operation of a charity.

Usually, a small percentage of your donation will be categorised under admin costs, as these are the costs that are required to help deliver aid.

Charities may use part of the donations to cover admin costs whilst other charities cover the admin cost from other sources but will mention the term **'100% donation policy'**.

Charities differ in how they manage admin costs. It is worth noting that the admin cost should not be the sole reason you decide to donate to a particular charity.

Be sure to look at the impact rather than the admin cost, and don't be merely led by numbers.





100% Donation Policy

What does '100% Donation Policy' actually mean?

Is it realistic?

'100% Donation Policy' means every penny you donate is used for serving those in need, not administrative nor overhead costs.

Whilst this sounds effective, in practice this term being the sole reason for donation can be problematic.

Every organisation has admin costs that need to be covered. Whilst most charities have volunteers, they also require full time staff to manage projects and meet needs, as well as marketing, fundraising, event management and regular overhead expenses such as equipment, training, rent etc.

Our survey found only 26% of people understand how their donations will be used for admin costs to support the charity. It is clear there still is a lot of stigmas in this area that needs to be debunked.

Finally, admin costs are imperative for organisations to operate and continue doing their amazing work. The most important factor is that charities are transparent about their admin and fundraising costs, and about how your donations are used in the project or cause.





Gift Aid

giftaid it

What is Gift Aid?

Gift Aid is a UK Government incentive that allows charities to increase the value of your donations by **25%** where the donor is a taxpayer, at no extra cost to you!

For every £1 you donate, a charity can claim an additional 25p from the Government therefore allowing your donation to go even further.

According to research undertaken by the Charitable Aid Foundation, just under half (**46%**) of donors said they didn't opt for Gift Aid when donating in 2022.

Charities may utilise Gift Aid for the project you donate to or even other projects, whilst some may instead use a part of it to cover admin costs.



Be sure to tick the Gift Aid box with any donations you make in the near future.



Make sure you find out how the charity uses Gift Aid by either going on their website or calling the charity directly.



Example:

You are a UK Taxpayer and you donate £100 to charity - the charity then claims Gift Aid to make your donation £125.



Specialism

Charity specialisms

A specialist charity may deliver greater impact on the ground.

Before donating, look at the focused skill set of the charity and the past experience from related projects.

This will give you a greater insight into how effective the charity is and what are its areas of expertise.

For example, research shows many Muslims donate to water well projects due to the Hadith where Prophet Muhammad peace and blessings be upon him, was asked:

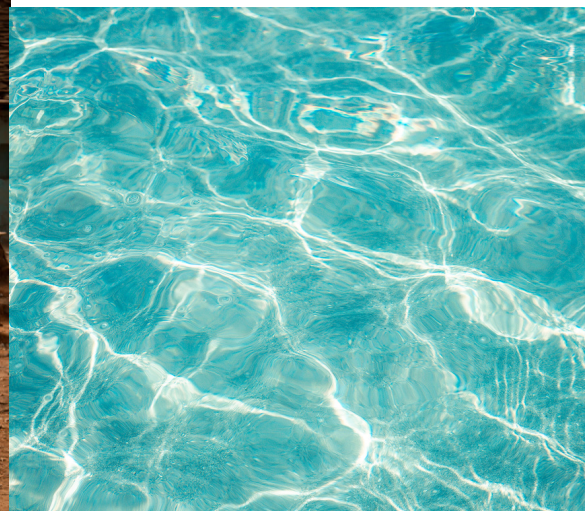
**"What charity is best?"
and he replied "A drink
of water."**

Sunan al-Nasā'i 3664

As a result, many Muslims choose to donate to small water campaigns organised by charities that are not necessarily specialised in this specific field.

This could have serious implications as small water projects that are often less expensive do not necessarily help the water crisis. This is because many water wells are not sustainable. Many hand pumps are often low quality and may be affected during floods.

Cheap does not always mean effective. Instead, we should donate to specialised charities that provide long term solutions to water crisis, such as irrigation systems of water filtration stations.





Environmental Impact

Islam & The Environment

Given the current climate crisis, it is our Islamic duty and moral obligation on this earth to consider the environmental impacts of our donations and how environmentally friendly a charity's approach is.

Unfortunately, only 9% of Muslim donors check to see if their chosen charity includes being environmentally friendly.

The charity you choose to donate to should be actively taking steps to combat the climate crisis and operate in a sustainable way. Therefore, when donating to a charity it is important to take into consideration the environmental impact of your donations.

How can you check if a charity is environmentally friendly?

Visit the charity's website to find out if they mention what steps they are taking to combat the climate crisis. They should ideally have an impact report that documents this and is publicly available.

Find out the environmental impacts of the charity's previous projects. This will help give you a greater understanding on whether the charity operates in an environmentally friendly manner or is working towards this.

'Indeed, we offered the Trust to the heavens and the earth and the mountains...'

Quran 33:72



Combating Misinformation



‘If a wicked person comes to you with news, verify it, lest you harm people in ignorance’

Quran 49:6

In this current digital age, where we are bombarded with a constant stream of information; it is often difficult to distinguish between what is factual and what is fake.

As Muslims we have a responsibility to limit the spread of false information, and more importantly do our research and find out if there is truth behind a rumour being shared.

Our research found that only 33% of people have a good understanding of how to verify news.

Although it is not simple, it is crucial to ensure legitimate charitable giving is supported, and scams and unethical behaviour are brought to light and held to account.

Unfortunately, whether it be via word of mouth or social media, a lot of misinformation is spread regarding charitable organisations. Many of these organisations are doing great work and have clear and transparent policies regarding their internal operations.

One common example is forwarded WhatsApp messages that can be a key culprit in the spread of misinformation, and it can be hard to find the original sender and verify their claims.

Remember to be vigilant when it comes to any negative information regarding a charity you come across and be sure to follow through with evidence.

Only share if there is reputable evidence that the claim is true, being cautious protects you from spreading false information.

Here are some tips on how to identify and stop the spread of misinformation:

- ✓ Call and speak directly with the charity for further clarity
- ✓ Conduct your own research
- ✓ Ask for evidence from the sender
- ✓ If you find evidence to disprove, respond to the sender with that information





Give Smart During Crises

Earthquake, Floods, Cyclones, War...

During times of crises, a growing minority of individuals can play an opportunist role and use it to their advantage to raise funds in the name of the crisis, but realistically use this for their own purpose.

At the Muslim Charities Forum, we created a guide specifically addressing the need to give smartly and safely during crises.

www.muslimcharitiesforum.org.uk/resources/donating-to-emergency-appeals-turkiye-syria-earthquake/

We often see a rise of fundraising chain messages being sent via WhatsApp or on social media. Often, these are on behalf of an individual claiming to raise money and giving their own personal bank account details, instead of a registered charity's account.

In times of crises, it is important to not hold back on donations, but do so with due diligence.

Remember...

Be sure to always check before you donate, and refrain from donating to anyone other than a registered charity or someone raising money on behalf of a registered charity as there is no guarantee your funds will reach people.



SUPPORT THE HUMANITARIAN WORK IN

GAZA

DONATE TODAY!



DOWNLOAD NOW:

ADVICE & GUIDANCE FOR DONORS

DONATING TO EMERGENCY APPEALS

TURKIYE & SYRIA EARTHQUAKE

#GIVESMARTGIVESAFE



Remember The 3 Points of Giving!

IMPACTFUL?



EXCELLENCE IN GIVING

As we strive for Ihsaan (excellence) in our worship, we also should strive for Ihsaan in our giving.

Stop and think:

- Is the Charity registered?
- Can you verify their impact?
- Are you donating securely?



Contact Information

Fundraiser Complaints

If you have an issue with a charity either due to the way you have been asked for donations or rather how the fundraisers have behaved, you can directly contact [Fundraising Regulator to complain](#).



Advertising Complaints

If you have an issue with a charity due to the number of emails/mails you receive or an advertisement campaign you think may be offensive, deceptive or inaccurate, you can contact the [Advertising Standards Authority to complain](#).



Other Complaints

Contact the [Charity Commission](#) if you have any other serious complaints such as:

- » If a charity is not doing what is claims to do
- » If the charity is harming people
- » If a charity is being used for personal profit or gain

You can also unsubscribe to emails, opt out of letters, or contact the charity and ask them to take you off their database.

Or you can change how often you get emails, phone calls, texts or posts from a charity using the Fundraising Preference Service .



**CHARITY COMMISSION
FOR ENGLAND AND WALES**



If you have any queries on this guide or regarding charities in general, contact us directly at

info@muslimcharitiesforum.org.uk



Muslim Charities Forum

SUPPORT | CONNECT | REPRESENT

Registered Charity No: 1166149

We are the UK network for British Muslim charities working for social good in the UK and abroad. Through our network, we aim to collectively build a more accountable, transparent and efficient British Muslim charitable sector, in order to improve our ability, both as individual organisations and as a sector, to contribute to a more just and sustainable world.

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