

## Donor Privacy

from Foundation Data Center, Inc.

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### **DOES YOUR ORGANIZATION EXCHANGE, SELL OR BUY DONOR LISTS FROM OTHER NONPROFITS? READ ON...**

In the September 2000 "Issue Update" of Faegre & Benson, their opening headline read:

"Recent Settlement Provides Guidance for Nonprofits on Donor Privacy."

Minnesota Public Radio (MPR) was represented by Faegre & Benson in a lawsuit brought by the Minnesota Attorney General against MPR concerning the exchange of donor names, addresses and telephone numbers.

The suit was finally settled "without any finding of fault on the part of MPR."

However, there are legal issues involved: consent or "allowing a donor to 'opt out' of an organization's list-sharing practices..." which are explained in more detail in the article.

The "Issue Update" invites interested parties to find copies of the above-mentioned article on their Web site at <http://www.faegre.com>. You will also find copies of the September 2000 "Issue Update" in the reception area of Faegre & Benson at 2200 Wells Fargo Center, 90 South Seventh Street, Minneapolis.

Points addressed in the article are:

- How significant is this case?
- What legal issues are involved?
- What sort of consent is required?
- What should be disclosed?
- When and where should this information appear?
- What about information that's already in an organization's database?
- Follow-through is critical.
- A Final Word (a summary of the findings)

It is helpful to know what information should be disclosed to your donors. Quoting "Issue Update":

“The MPR settlement calls for the clear and conspicuous disclosure of the following points in fundraising communications by organizations that exchange donor information:

- The fact that the organization exchanges donor information
- The type of donor information exchanged
- The organization’s understanding of how the third party may use the information
- The purposes of the exchanges
- The frequency of the exchanges
- How the donor may choose not to have his or her information shared with other organizations”

To continue the quotation: “The following language was deemed to satisfy these disclosure requirements with respect to MPR’s current donor information practices:

“To assist in building membership (charitable organization) regularly exchanges names and addresses of its members with other organizations, who may solicit or make other contact with you by mail. If you do not want your information shared, please check the box and return this form or call (charitable organization) at (phone number).”

We would recommend that you access this article at the Web site indicated above to get more detailed information -- particularly as it applies to organizations that share telephone numbers (allowing another organization to phone your donor) and personal information about donors.

The article closes by stating, “Public and regulatory scrutiny of data privacy practices will no doubt continue, and probably increase, over the months and years to come.”

For additional information about data privacy issues in fundraising, contact Eric Jorstad at [ejorstad@faegre.com](mailto:ejorstad@faegre.com) or Hazen Graves at [hgraves@faegre.com](mailto:hgraves@faegre.com)

Faegre & Benson can be reached at 612.336.3000.

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It is further interesting to note that Faegre seeks input on Internet fundraising. They state:

“On October 16, Faegre & Benson partner Hazen Graves will be one of the nongovernmental participants in a conference hosted by the National Association of State Charity Officials and the National Association of Attorneys General in San Diego. The purpose of the conference is for state fundraising regulators to receive input and assistance as they determine how best to regulate on-line solicitations and contributions.

“If you have suggestions that you would like to be considered at this meeting, please contact Hazen Graves at 612.336.3284 or [hgraves@faegre.com](mailto:hgraves@faegre.com).”

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## THE FALL MFD UPDATES

As mentioned earlier, sections A-B, C-E and F-I are being prepared for the printer. This will be the entire first half of the Minnesota Foundation Directory. We are adding the Web sites of those foundations that have them and making last minute changes of board and staff.

There are many new foundations in this large edition and we feel you will find it worth the wait! Feel free to continue to call or e-mail your questions -- we will try to accommodate your requests!

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Good grant seeking to all of our colleagues!

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