

BBB Wise Giving Alliance Standard 19

As cause marketing promotions have become more common, concerns about transparency have surfaced from consumers, State Attorneys General, the Better Business Bureau (BBB), and other stakeholders. In response to consumer confusion, the BBB developed Standard 19, which is outlined below. Additionally, several State Attorney's General have developed rigorous state filing requirements to verify charitable promotions and assigned penalties to those who do not abide by the BBB language and state filing requirements. Your legal counsel can provide more information on those requirements.

Standard 19:

Clearly disclose how the charity benefits from the sale of products or services (i.e., cause-related marketing) that state or imply that a charity will benefit from a consumer sale or transaction. Such promotions should disclose, at the point of solicitation:

- the actual or anticipated portion of the purchase price that will benefit the charity (e.g., 5 cents will be contributed to abc charity for every xyz company product sold),
- the duration of the campaign (e.g., the month of October)
- any maximum or guaranteed minimum contribution amount (e.g., up to a maximum of \$200,000).

In clarification of the requirements of this standard, the BBB notes the following:

- This standard is intended to address cause-related marketing activities. The basic message of such promotions is "Buy the product of Corporation XYZ and a contribution will be made to Charity ABC." In general, the greater the sales volume, the more the charity receives. These promotions have involved a variety of goods and services including breakfast cereals, clothing, cosmetics, credit cards, long distance phone calls and fast-food.
- For example, a disclosure that includes all the recommended elements might read as follows: "5 cents will go to ABC Charity for every box of XYZ Cereal sold in October up to a maximum of \$200,000." The disclosure needs to include only elements applicable to that specific promotion.
- The disclosure of the amount that goes to the charity might be expressed in monetary amounts (e.g., 25 cents will go to ABC Charity) or as a percentage of the purchase price (e.g., 3% of the purchase price will go to ABC Charity).
- If the promotion involves the sale of a number of items (as in a holiday gift catalog, for example) that will benefit a specified charity, the disclosure might take the form of a range of amounts that might go to the organization. (For example, "Depending upon the specific item purchased, approximately 5 -10% of your purchase price will go to Charity ABC.")
- The disclosure must be provided to the potential purchaser at the point of solicitation. Placement of the disclosure might be, for example, within the product advertisement that features the charity benefit, on the product packaging, on the hangtag attached to the product, or on the catalog order form.
- Disclosures solely stating that the charity will receive "proceeds," "profits," "net proceeds," or some other general financial benefit as a result of sales will not meet this standard.

The full Implementation Guide may be found [here](#).