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Baby Don't Hurt Me | What To Do When a Donor Gift Harms More Than Helps – Transcript

Jess Birken 00:00:02 Welcome to Charity therapy, the podcast where we explore the ups and downs of the nonprofit sector and answer your burning questions. I'm your host, Jess Birken, owner of Birken Law Office, and I'm excited you're here. Imagine hanging out with me and my super smart, funny, nonprofit expert pals. You get to ask them anything about your nitty gritty nonprofit life and get their wisdom for free. Whether you're a seasoned pro or just strapping on your nonprofit boots, we're here to share stories and remind you you're not alone on this journey. So get ready to join the conversation and bring me the tough question. I ain't scared. Ready to rock? Let's dive in. Hello and welcome to this episode of Charity therapy. I am here with my intrepid co-host Meghan. Hello, Meghan. Hello, Jess, my intrepid primary host.

Meghan Heitkamp 00:00:55 I don't know if that sounds like parasite level weird. I don't know, I don't like that. I don't like it. You're the main host. I am the the like, you know.

Meghan Heitkamp 00:01:05 I don't know the co-host. Yeah, sure. Yeah. I'm the. I'm the host. Yeah. I'm the the host. The host? Yeah. The sidekick. I don't know why I'm making this so complicated. I don't like that sidekick. The non-lawyer. Sidekick. I'll just let everyone know that I refer to Meghan as my wing woman. So you tell.

Jess Birken 00:01:26 You right in and.

Meghan Heitkamp 00:01:27 Tell me if that's.

Jess Birken 00:01:28 Better or worse than.

Meghan Heitkamp 00:01:29 Sidekick. Yeah. Let me know. Whenever you say wing woman, I gotta say, I picture, like, a really, really large wing the size of a human would have. And I'm just, like, standing on it. I don't know why. Okay, I was very normal phrase, but I can't. I can't do it without the train. Picture The night at the Roxbury, the old SNL skit with the two guys in the club who.

Jess Birken 00:01:55 Are nodding.

Meghan Heitkamp 00:01:56 Their heads, who know you know, I'm sorry, I don't got it. I'm writing it down to to look it up.

Meghan Heitkamp 00:02:02 Yep. Yeah. Yep. I'm like. Look it up at that joke. Look it up. Yep. Lady, don't hurt me. No mo. What is love? Okay, anyway, we're doing a podcast.

Jess Birken 00:02:13 About.

Meghan Heitkamp 00:02:13 Nonprofits.

Jess Birken 00:02:14 What are we doing?

Meghan Heitkamp 00:02:15 I might have to be that. Like, I'm not Gen Z, but that trend of my Gen Z editor, like, edited all my stuff. I'm gonna have to edit all the times you sing on this podcast sometime together and release it as little promo. There's nothing you can't say about Gen X. Oh wait, I don't even know. That started out badly.

Jess Birken 00:02:34 What I'm trying to say.

Meghan Heitkamp 00:02:35 Is Gen X, we like music, okay? We like the musics. We know all the musics. We grew up before.

Jess Birken 00:02:42 The.

Meghan Heitkamp 00:02:42 Interwebs and.

Jess Birken 00:02:44 We listened to a lot of music.

Meghan Heitkamp 00:02:46 So yeah, sorry. So you don't like occasionally bursting into song? Find a different podcast. We gotta find our people. This is the way to, you know, weed out the the weak among us.

Meghan Heitkamp 00:02:59 So. That's right. Okay. Okay. What now? Yeah, let's let's talk about actual things. How about that? So before we get into the actual listener question, I have a little primer question for you, Jess. Can you tell the listeners what a gift acceptance policy is and why nonprofits should have one? Yeah. So gift acceptance policy aka your reason for saying no to a donor. No. It's real. It's a real thing. It is a real thing. Gift acceptance policy is basically there's two ways you could take it. One is gifts that you might be trying to make to the board. And we don't accept those things. That's

not what I'm talking about here. A gift acceptance policy is like, what kind of charitable donation will our organization take from donors? Will we accept cash? Yes. Will we accept real estate? Maybe. Not sure. Maybe there's a committee. Will we accept stocks? Maybe there should be rules around that. Do we take Ethereum? Probably not.

Meghan Heitkamp 00:04:09 Because what are we going to do with that. Right. So like what are the rules around it. And then also if it's something that we're going to take with the idea of getting rid of it to turn it into cash. We have some rules and requirements around that. And following the IRS regulations and all that sort of stuff. But I joke that it's the thing you use to say no to people, because when somebody wants to donate an airplane, a used airplane to you because they don't can't sell it and they're like, hey, I could donate this to charity. You need something to lean on to say, I would love to take your gently used small airplane. Unfortunately, our gift acceptance policy doesn't allow us to do that. And it's not me. It's. It's not you. It's not me. It's the policy. So sorry. I love a policy that you can point to and be like. So sorry, this doesn't work. Also, just you saying this is funny because I feel like I am among the majority of the regular non non profit public who wouldn't think necessarily or jump to the conclusion that donors will try to give you weird shit sometimes, but as soon as you say it I'm like, oh yeah, no, that makes total sense that donors will try to give you weird stuff and you have to know how to say no.

Meghan Heitkamp 00:05:32 So, well, because here's the thing they think it's a win win. It's not like they're trying to pull a fast one. They're just not at all. Hey, I have this thing. I have to get rid of it. For whatever reason, I can't sell it for whatever reason. I bet I could give it to charity. I'll get a deduction. You get the thing, you can sell it because you'll be able to do that easier than I will have any logic breaks down ahead. Yeah, it could just be that they're purely just like, I don't want this. And when it's valuable, you do it right. And not realizing that it will take a lot to sell, or that there are other considerations if you were to accept an airplane. Well, right. Because where are you going to keep the airplane? Well, now you got to rent a hangar and somebody's got to maintain it. And you need probably need a specialty person to help you sell something like that. Now you're using time on this like airplane storage, maintenance and sale.

Meghan Heitkamp 00:06:29 When I was in-house, this would absolutely happen. It'd be like some little old lady died and left it in her will. That, like, we should get the

completely landlocked ten acres squished between four other properties? No way to actually access the property unless we pay a neighbor to get an easement. And then what? It's like not a piece of property the organization wanted. Needed. And not really something you could sell unless it was one of those for neighbors. You gotta have a way to say no sometimes, you know. You just do.

Jess Birken 00:07:08 Yeah, well, this extended airplane and land property metaphor explanation aside, I do have a real listener question about this. So let's jump in. So person writes in and says we have a donation button on our website where people can give online and set up recurring donations for monthly contributions. A few weeks ago, someone set up a daily 50 cent donation. Our accountant looked into it and is saying that it's not fraud or anything like that, but it just seems really silly.

Jess Birken 00:07:39 Our payment processor takes \$0.30 out per transaction plus a merchant fee, so we're getting next to nothing on these donations. What do I do?

Meghan Heitkamp 00:07:49 Okay, so this is a little different than a used car, airplane or piece of real estate.

Jess Birken 00:07:56 Could be the opposite problem.

Meghan Heitkamp 00:07:58 Could be the opposite problem. I'm thinking it is the opposite. Let's just do the math. Okay, so we got \$0.50. -\$0.30. Now we have \$0.20 left -3% merchant fee. So we got like what, \$0.17.

Jess Birken 00:08:10 Something like.

Meghan Heitkamp 00:08:10 That. Something like that. And then then we got to account for it.

Jess Birken 00:08:15 Yeah.

Meghan Heitkamp 00:08:16 So whatever the.

Jess Birken 00:08:17 Time in time.

Meghan Heitkamp 00:08:18 Or whatever the human time is actually negative. It's a negative gift.

Jess Birken 00:08:22 We're paying money in order to have this person give \$0.50 a day to the non profit.

Meghan Heitkamp 00:08:28 Plus we got to send them a thank you legally. Well wait do we let me do the math. Let's just say 50 times 365. Yeah that's \$182. So it's not nothing. So at the end of the year you know we're going to want to thank them.

Meghan Heitkamp 00:08:46 Which and I don't know if you know this, but like as of July 2025, a U.S. postal stamp is \$0.78. And that's that's more than three days of donations from this Person. So take that off the top. Yep. I mean, it's not. It's so. It's not nothing. It's very generous. And I love the idea of, like, a sustaining gift. Like where people put it on automatic. But I think this organization probably needs to set a minimum threshold because it's literally probably costing them money to accept a 50 cent gift.

Jess Birken 00:09:23 So it's it's the same thing as the airplane at the end of the day, where it's like the airplane has a bunch of hidden costs to accepting it. Right? Like it costs money to store it, to have insurance on it, to find people, to sell it, to maintain it, whatever it is. And this does too. And it's just normally when you're thinking \$0.30 a transaction, it's like, that's nothing like because most transactions are going to be like 25 bucks or something or even \$5.

Jess Birken 00:09:50 It's like that. That percentage is fine, but on \$0.50 and every single day that adds up fast and becomes a real cost to the organization instead of a benefit.

Meghan Heitkamp 00:10:03 Yeah. Yeah. Great example of how you should draft your gift acceptance policy. And never in all of my years of lawyering have I ever drafted a gift acceptance policy that had to account for this scenario. But I think that you could. Yeah, you certainly could.

Jess Birken 00:10:22 Even if it's not literally in your gift acceptance policy, it feels like something that is probably doable in your payment processor just to have a minimum amount accepted, whether it's like a dollar or \$5 or whatever you decide is doable. But we don't want to have that running. Yeah.

Meghan Heitkamp 00:10:44 And you can have a little asterisks like why this minimum amount. And it can be like asterisks. Why this amount? Each donation we process online costs the organization X, Y and Z plus merchant fee. I mean, like, you can explain if you feel weird about it. It's not free to process your gift.

Meghan Heitkamp 00:11:06 I don't think I would say that, but there's a way that you could talk about it.

Jess Birken 00:11:11 And I think the biggest thing that to get at here is that this person probably has good intentions. They're probably coming at this of like, I wouldn't notice \$0.50 a day, so I might as well use that as a way to contribute. And like you said, 180 something dollars a year is not a small gift. Like that's a substantive gift when you add it all together. But they are just not aware that the way that they're giving it is not actually going to be useful to the nonprofit. And so you can gently educate your your donors about those kinds of issues and, you know, do your best to maintain that relationship and kind of get at why they want to donate and what the real effect the daily donation is having. Yeah.

Meghan Heitkamp 00:11:56 For real. I feel like if Pat Kirby were here, he would be like, so excited that this person is so engaged in our mission and believes in it so much that literally every day of the year they want to be giving to us like, that's amazing.

Meghan Heitkamp 00:12:11 That's something to be celebrated, and we need to help this donor find a different way to do it. I totally agree, the technology solution is probably the way to go. I don't know if you really need to put this in a gift acceptance policy. If you want to see like the kind of policies that I draft, we have, like a wizard on the Birken law website that's in the resources, you can search for that. It doesn't address a minimum viable donation online. But I mean, maybe it should because I don't want a 50 cent check either. I you know, it's an interesting issue for sure.

Jess Birken 00:12:49 And not one that comes up very often in 2025 when we are recording this. Considering can you even get like a gumball for \$0.50? I don't.

Meghan Heitkamp 00:12:58 Think so. Man, I bought.

Jess Birken 00:12:59 Some stamp.

Meghan Heitkamp 00:13:00 At the mall for my teenager. Those little like, the little cups with the covers. And you, like, get a little queen inside. I want to say those were like a dollar.

Meghan Heitkamp 00:13:11 Maybe \$1.50. It's a rip off, let me tell you.

Jess Birken 00:13:14 It's a racket. Yeah.

Meghan Heitkamp 00:13:16 Back in my day. Back in my day. You put on a dime. Would cover.

Jess Birken 00:13:21 Your.

Meghan Heitkamp 00:13:22 Whole work or.

Jess Birken 00:13:22 Your.

Meghan Heitkamp 00:13:23 Whole.

Jess Birken 00:13:23 Day of eating or whatever.

Meghan Heitkamp 00:13:24 Back in my day, when I was a college kid. The homies you could get, like, the homies, even for maybe \$0.50 out of those machines. I mean, yeah, I don't know how old this donor is, but they're at least my age.

Jess Birken 00:13:40 Yeah, inflation has caught up, not caught up with them in a way that maybe makes sense. Right? Right.

Meghan Heitkamp 00:13:47 Well, what do we got here, Meghan? What do you think?

Jess Birken 00:13:49 Okay, I got a couple of takeaways here. So first, you should have a gift acceptance policy if you don't already. The gift acceptance policy allows you to define what kinds of donations and contributions you can take as an organization, and allows you to say no to things that are not ultimately going to benefit the nonprofit.

Jess Birken 00:14:09 Secondly, not all gifts are good gifts. Sometimes things that have a great intention of supporting the nonprofit really will cause more cost or more harm to the organization than what the donor intends. So it's important to keep an eye on what people are wanting to contribute and not just say yes just because you want to have a good relationship with the donor, you do want to think about what would actually benefit the nonprofit in the long term, and that is part of creating that gift acceptance policy. And finally, in a situation like this, if a donor is wanting to give you something that you don't really want, like a daily 50 cent donation, you can kind of appeal to the reason why they're giving that donation and figure out another way to re-engage them that helps the nonprofit. So it's not a situation where you have to be like, get out of here. You can instead say, hey, I love that you want to give to us every single day. Here's you know what that looks like for us.

Jess Birken 00:15:07 Is there another way that we can work with you? And you know, you can use those people skills to create a relationship with your donor and protect the nonprofit from wasting their time and energy on stuff like this.

Meghan Heitkamp 00:15:20 Yeah, I think I would just add like, just I there's this desire to, like, avoid saying no to the donor. Yeah. And I think the thing you have to kind of ground down in reality is like you say no to people you care about.

Jess Birken 00:15:36 A.

Meghan Heitkamp 00:15:37 Lot. If you're a parent, you say no to your children. You say no to your siblings. You say no to your family. You say no to your friends, and they still love you the end of the day. Or they should, because you do it in a way that preserves the relationship. And so just remember, you are in relationship with your donors and you can say no in a way that still preserves and even strengthens your relationship. So don't forget that that is possible. That's my only little add on there.

Meghan Heitkamp 00:16:09 Look, folks, if you know somebody who just got a \$0.50 a day gift, you should forward this episode to them. Like, if you know somebody who's thinking about starting a sustaining donor program, maybe just share this one with them so they, like, think through the unique ways that donors will break your system before you're ready. If you've got a story to share, a question, anything, get at us. We want to hear it. We'll keep it anonymous. Send us a note at Charity therapy dot show. And as always, thanks for listening. Appreciate you.

About the Author



Hi, I'm Jess Birken.

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

Let's connect!

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