

> Is text messaging a tax efficient way to give?

Sport relief did not offer SMS donors the option of completing a Gift Aid declaration for sponsoring David Walliams's cross channel swim, because it claimed the method would not work for the young radio audience.

 <p>YES Karl Reynolds, head of fundraising, Comic Relief In certain circumstances, text messaging could be a tax-efficient way to give. But there are many issues for a charity to consider when thinking about using this technology, the most obvious of which is what will produce the greatest revenue. Comic Relief, for example, is committed to fundraising through a broad variety of mechanics – we currently claim Gift Aid on more than 80 per cent of our online and telephone donations. David Walliams's fundraising total was achieved through a mixture of revenue from mobile-based activities (including text-to-win, ringtones and wallpapers), online sponsorship and donations from individuals. We decided against pursuing a specific 'text-to-donate' mechanic with Gift Aid collection because of the young audience, the low adoption of WAP response mechanics and the short duration of the event, all of which made simpler text mechanics more appropriate. The future could be bright, however. With more charities using text mechanics, improved technology for data recovery and close integration with existing Gift Aid-permission databases, it could become not only more efficient, but also a very easy and popular donation route.</p>	 <p>NO Lee Grant, project manager for tax-effective giving, Institute of Fundraising At least, not yet. When asked to support a national cause, I'm always disappointed if it does not include a request to Gift Aid my donation, regardless of the way in which I donate. Text giving is a fantastic opportunity for the sector because it gives charities the opportunity to attract new and often younger donors to their cause. As it stands, there are two main barriers to giving by SMS: the high cost of mobile phone calls and texting back a declaration at a premium rate; and the uniformity of the data that's required to produce an audit trail. Donating money to charity is a very different scenario from a commercial transaction, and most people would be deeply upset to learn that mobile phone companies are charging so much for charitable donations. The Institute of Fundraising is currently lobbying mobile phone companies to reduce their charges to charities. As more supporters react instinctively to a 'text to sponsor' request and this trend grows, we need the technology to allow this data to be exchanged cheaply and efficiently. We very much hope to see this develop in the immediate future so that charities can maximise their income through SMS fundraising.</p>	 <p>YES Robert Thurner, commercial director, Incentivated Mobile is the hot new response medium for private, public and third sector clients. It's growing fast, but it is still in its infancy and all parties face a steep learning curve. The aim, surely, is to find smart new channels to grow fundraising revenues. I see two issues here. First, the industry should harness new technologies to grow the overall pot. This means building the base of donors and the size and frequency of their donations. Mobile fits – it's non-confrontational and matches our evolving lifestyle patterns. Second, the smart channels should be made as watertight as possible. The more parties you involve in the process, the greater the chance of leakage. Some agencies, like ours, do not seek to profit from the third sector. The mobile campaign we launched last month for Macmillan Cancer Support, complete with WAP site featuring Gift Aid, is provided at cost price. Our company has a social responsibility. But others, such as the mobile network operators, run tight business models. There is scope for more lenient pricing of charity-related text messages. Sure, it's always nice to have a chat when you're giving, but people today have plenty of other demands on their time. And let's not forget the costs associated with staffing the phones.</p>	 <p>YES Kevin Kuklinski, direct marketing campaign manager, Macmillan Cancer Support Charities should never pass up an opportunity to Gift Aid a donation. Gift Aid through WAP is, of course, still a new product, so it's too early to evaluate its overall effectiveness. However, with approximately 45 per cent of our donor base Gift Aided, the typical Macmillan donor is likely to sign up to the scheme. Donors are becoming more technology savvy, so it's important to communicate with them through the medium they prefer. The mobile medium will only grow, and charities need to keep pace with advances in technology if they are to compete in an ever more crowded market. If a charity has already made the commitment to introduce text giving, adding a Gift Aid facility is a logical evolution. Including a Gift Aid element to text donating inherently means capturing the donor's name and address details as well. This means you then have the ability to develop these donors, which is a central aspect of successfully incorporating text into any direct marketing programme. True, the cuts the networks take for text donations are still high, but this is further justification for charities to be clever and look for ways to boost income from the mobile medium.</p>
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