

Review: NOZA, Online Charitable Donation Database

By Mike Schley

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NOZA

www.nozasearch.com

TechnoScore: 4.2

**1 = Lowest Possible Score;
5 = Highest Possible Score**

Should you take on a new client? Where can you find new clients? How can you better serve existing clients? Charitable donation records can help you answer these questions. The NOZA database provides information on more than 40 million charitable gifts by individuals and companies. We asked Mike Schley, a business attorney and frequent TechnoLawyer contributor, to assess the usefulness of the NOZA database for the legal profession and rate it using our TechnoScore system. As usual, Mike delivered a comprehensive and useful review.

INTRODUCTION

We practitioners often find it challenging to distinguish between “good” from “bad” clients before we take on the duties of representation. That’s why many lawyers run red-flag checks, searching for liens, judgments, bankruptcies, and other problem signs. Wouldn’t it be nice if new clients who are good, ethical people walked in the office with a visible halo?

No technology will do that for us, but NOZA provides something close: A searchable database of charitable giving that reveals how much an individual gives and for what causes.

Although designed originally for use by charitable fundraisers, the NOZA database now has a home on Lexis and is used by investment advisers and others who seek to work with high net worth clients.

It can help legal professionals in the following ways:

- Client development: Charitable donors make good estate planning prospects.
- Client screening: Our intuition tells us that those who consistently give to charity are less likely to be “problem” clients.
- Client relations: Knowing our clients’ charitable interests can help us build strong client ties.
- Litigation or transactional research: A party’s charitable giving record could be relevant evidence for a lawsuit or help with transactional and advisory issues.

I used the NOZA database to run reports for my own clients and some prospects, and found it a useful tool. NOZA searches are now a routine part of my practice.

HOW DOES NOZA WORK?

Several databases (such as [FoundationSearch](#) and [BIG Online](#)) provide data about grants made by private foundations, based on publicly available IRS Form 990-PF data. However, there is no comparable data for private individual and corporate donors.

NOZA founder Craig Harris was frustrated by this lack of information when he worked as a non-profit fundraiser. He also observed that many charities publish Web sites, annual reports, ads, and brochures that list names of donors by gift amount. Bingo!

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Harris and friends created a system for retrieving and capturing this data and translating it into a proprietary database of individuals’ and corporations’ charitable gifts.

Each gift is a “record” with the following data:

- Size of gift (dollar range)
- Name of recipient
- Donation category (capital/campaign, annual gift, etc.)
- Recipient location
- Recipient scope (geographic territory served by charity)
- Recipient category (human services, health care, etc.)
- Recipient’s Web site

- Source link (an image of the Web page or other source for the gift information)

The NOZA database, at this writing, includes data on over 40 million distinct donations to U.S. charities. According to NOZA's Web site, NOZA was listed by Chronicle of Philanthropy in 2008 as one of the top five most used prospect research tools in the philanthropy field.

NOZA offers a free subscription limited to data on foundation grants. NOZA charges an \$800 annual fee (with multi-user discounts available) for unlimited access to the full database of individual and corporate donations.

NOZA's database can provide mailing lists for over 3 million unique individual donors.

NOZA also offers free technical support and thorough online support documentation, although most of it is still oriented toward charity fundraising rather than the uses described in this review.

SEARCHING FOR MR. OR MS. GOOD CLIENT

The first challenge I threw at NOZA was to identify major donors in the town where I practice, Santa Barbara, California. The purpose: to identify individuals who, by virtue of their charitable largesse, have demonstrated qualities that might also make them potential clients for estate planning or assistance with philanthropy and tax-exempt organization issues.

NOZA calls this a "Search by Cause." This type of search yields a list of gifts (with donor names

and other data) that fit the parameters I set for my search. NOZA enabled me to filter its data by:

- Identifying a cause (I chose "all").
- Identifying a recipient state and city.
- Identifying the donation amount.

Thinking that \$10,000 is an appropriate floor for major gifts, my first search produced 3,663 records. I was permitted to sort the resulting records by donor name, gift amount, cause, date of gift, and several other useful fields.

A bit intimidated by so many records, I decided to narrow my list to people and companies who had made a gift of \$100,000 or more. This still yielded 1,333 records.

Scrolling through these records, I quickly concluded that (1) I did not know all of the major donors in my own town and (2) here was a list of names that would be very useful for client development purposes for a lawyer whose practice is oriented toward high net worth clients.

Taking a different tack, I wondered: What if I were an environmental lawyer hired to challenge a proposed development project, and one of my tasks was to identify and develop grass roots opposition to the project? I ran a search for all donors who had given gifts of any size for an "environmental quality, protection, beautification" cause in Santa Barbara and came up with 5,402 records. Certainly, many or most of these would be sympathetic to my hypothetical anti-development efforts, so this information could be essential to my assignment.

The records turned up by these searches show each donor's full names (as reported by the charities), but no address, telephone,

or email information. The NOZA Web site permits me to create and save a spreadsheet of the records identified in my search, but it does not provide addresses and other contact information for donors. Of course, I could look up a few thousand names in the telephone book or online, but it would take a lot of time.

Instead, NOZA offers a service that would create a mailing or contact list for me. NOZA's data is derived from other records databases it purchases and a fairly complicated matching system for pairing the correct contact information with the named donors. NOZA's database can provide mailing lists for over 3 million unique individual donors. The mailing list service is priced separately, on a custom basis that requires an inquiry to the company.

CLIENT RELATIONS AND DUE DILIGENCE

NOZA's "Search by Name" function produces information about the charitable gifts made by a specified individual, company, or foundation. I ran searches for most of my individual clients, and came away with some useful information. For about one-third of my individual clients searched, I got records that told me a bit about their charitable interests. This triggered some ideas about how I, as a lawyer, might help them further their charitable interests. On the other hand, two probably inevitable limitations affected the usefulness of NOZA for this type of search.

First, many individuals' names are quite common. For example, a search for my own name turned up gifts made by my friend who is an attorney in Minnesota and whose name is identical to mine. Consequently, for common names, it is

difficult to know whether you are reading about the right individual donor. There is a geographic filter for the “Search by Name” function, but it is based on the location of the recipient charity, not the donor.

Second, the NOZA database is limited to the information published by charities that NOZA finds. So, for example, if I give to a charity that does not publish lists of its donors on a Web site or in an annual report or other publication, or if I ask the charity to identify me as an anonymous donor, my gift will not end up in NOZA’s database. Consequently, many of my client name searches turned up no results, even though I am certain some of those individuals support charities.

I also considered use of NOZA as a due diligence tool for purposes of screening potential clients. I learned long ago to be careful in choosing my clients. For some time I have used online databases to check for bankruptcies, case filings, judgments, and liens, and other red flags. It occurred to me that the charitable gift data from NOZA might identify “white flags” for a potential client — if you believe (as I generally do) that a record of charitable giving is positive evidence of character.

I ran a search for a handful of individuals who had come to me as pro-

spective clients in recent months. NOZA turned up gift records for about one-half of the individuals, and told me something I did not already know about their interests — including the giving patterns of an individual who had come to me to set up a private foundation.

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The NOZA database is growing by about 500,000 records per month. With the passage of time, the information it provides will become more useful.

WISH LIST

NOZA’s Web interface is easy to use, without need for special instruction. However, the information it provides would be more useful if NOZA were willing to divulge more information about individual and company donors. At the top of my wish list would be the ability to filter searches by a donor’s locale, perhaps by zip code or a range of zip codes.

CONCLUSION

I found that the NOZA database provides information which helps

me in my process of screening potential clients, and helps me learn more about my existing clients. It also provides information that could help me identify client prospects for my work relating to tax exempt organizations and my firm’s estate planning services.

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