

# Charity Rating Agencies

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## Workshop on NGO information developments

24<sup>th</sup> May 2011

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# GuideStar example

<http://www.guidestar.org.uk/summary.aspx?CCReg=209259>

## THE VARIETY CLUB CHILDREN'S CHARITY

Registration Number: 209259

### Classification

- General Charitable Purposes

Website [www.varietyclub.org.uk](http://www.varietyclub.org.uk)

Organization Status: 

1. TO PROMOTE AND PROVIDE FOR THE CARE AND UPBRINGING OF SICK, DISABLED AND DISADVANTAGED CHILDREN WITHIN THE UNITED KINGDOM; 2. THE ADVANCEMENT OF EDUCATION AND THE RELIEF OF FINANCIAL NEED OF CHILDREN WITHIN THE UNITED KINGDOM; 3. TO UNDERTAKE AND TO ASSIST OTHERS TO UNDERTAKE RESEARCH INTO ANY ILLNESS OR AFFLICTION AFFECTING CHILDREN WHICH WILL ADVANCE KNOWLEDGE AND TO PUBLISH THE USEFUL RESULTS OF SUCH RESEARCH; 4. THE PROVISION OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION FOR CHILDREN IN THE INTERESTS OF THEIR SOCIAL WELFARE WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR SUCH CHILDREN

Registration Number: 209259

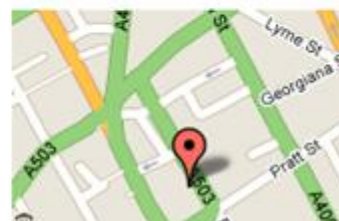
### Primary Address

Address: VARIETY CLUB HOUSE, 93 BAYHAM STREET, LONDON, NW1 0AG

Telephone Number 02074288100

Email: [info@varietyclub.org.uk](mailto:info@varietyclub.org.uk)

Website [www.varietyclub.org.uk](http://www.varietyclub.org.uk)



### Classification | Activity Type | Charity Beneficiaries

#### Classification

- General Charitable Purposes

### Finance

#### Figures

	31 / 12 / 2009	31 / 12 / 2008	31 / 12 / 2007
Income	£8,986,581.00	£10,376,935.00	£8,969,334.00
Expenditure	£9,414,670.00	£11,544,629.00	£9,346,748.00

# Charities Commission example (New Zealand)

<http://www.charities.govt.nz/>

## Charity Summary

These are the current details for: **Variety - The Children's Charity Incorporated**

### Charity details

Legal name of the charity **Variety - The Children's Charity Incorporated**

### Registration details

Status Registered  
Date 08/05/2008  
Registration number CC24039  
IRD Number Restricted  
Annual Return Due Date 31/03/2012

### Address for service

Charity's street address 290 Great South Rd  
Auckland 1051  
Charity's postal address P O Box 17 276  
Auckland 1130

### Charity's other details

Phone (day) (09)5204111  
Fax (09)5201122  
Email [lorraine@variety.org.nz](mailto:lorraine@variety.org.nz)  
Website <http://www.variety.org.nz>

### Areas of Operation

Nationwide

### Officers

Officer Name	Effective Date
Pamela Fauvel	28/11/2006
Anthony Smith	28/11/2006
Patrick Baker	28/11/2006
Percy Pease	30/11/2004
Susan Robinson-Derus	18/11/2003
Joseph Moodabe	17/03/2009
Andrew Webster	30/11/2007
Stuart Chapman	20/01/2008
Adam Good	18/11/2008

### Past Officers

Officer Name	Past Since
Wayne Adsett	16/11/2010
Timothy Stonhill	30/04/2008

## Charitable purpose

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**Note:** Main sectors, activities and beneficiaries are in brackets

<b>Sectors</b>	(People with disabilities) Education / training / research Health Fund-raising Children who are sick, disabled or disadvantaged
<b>Activities</b>	(Makes grants / loans to individuals) Makes grants to organisations (including schools or other charities) Provides human resources (e.g. staff / volunteers)
<b>Beneficiaries</b>	(Children / young people) Other charities People with disabilities

John Ingram	30/03/2009
Donaldson Linden	30/11/2007
Roger McClay	16/02/2010
Richard Upton	30/01/2008

## Exemptions

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This charity has been granted an exemption from filing an annual return by 31/03/2009 under Section 43 of the Charities Act 2005. The first annual return is due by 31/03/2010.

## Notices of Change

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Date	Reference
22/01/2010	NOC002
09/08/2010	NOC003

## Annual Returns

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Due Date	Received	Link to Return
31/03/2009	<input checked="" type="checkbox"/>	AR002
31/03/2010	<input checked="" type="checkbox"/>	AR003
31/03/2011	<input checked="" type="checkbox"/>	AR004

## Supporting Documents

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Date Created	Type	Document
10/03/2010	Record	Public Application Record 10 Mar 2010.pdf
07/11/2007	Rules	Charity Rules.PDF

# England and Wales Charity Commission example

<http://www.charity-commission.gov.uk/>

209259 - THE VARIETY CLUB CHILDREN'S CHARITY

**DUE DOCUMENTS  
RECEIVED**

## Charity overview

### Activities

(1) PROMOTE AND PROVIDE FOR THE CARE AND UPBRINGING OF SICK, DISABLED AND DISADVANTAGED CHILDREN WITHIN THE UK (2) ADVANCEMENT OF EDUCATION AND THE RELIEF OF FINANCIAL NEED OF CHILDREN WITHIN THE UK (3) PROVISION OF FACILITIES FOR RECREATION AND LEISURE TIME OCCUPATION FOR CHILDREN IN THE INTERESTS OF THEIR SOCIAL WELFARE WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR SUCH CHILDREN

### Income £8,986,581



Voluntary	£6.30m
Trading to raise funds	£2.62m
Investment	£0.06m
Charitable activities	£0.00m
Other	£0.00m
<b>Total</b>	<b>£8.99m</b>

Investment gains £0

### Spending £9,414,670



Generating voluntary income	£1.32m
Trading to raise funds	£2.79m
Investment management	£0.00m
Charitable activities	£5.17m
Governance	£0.13m
Other	£0.00m
<b>Total</b>	<b>£9.41m</b>

### Assets, liabilities & people



Own use assets	£1.80m
Long term investments	£0.50m
Other assets	£2.43m
<b>Total liabilities</b>	<b>£-1.72m</b>

Employees 36

### Charitable spending



Income generation and governance	£4.24m
Charitable spending	£5.17m

## Summary Information Return 2009 of Aims, Activities and Achievements

[http://www.charity-commission.gov.uk/SIR/ENDS59/0000209259\\_SIR\\_09\\_E.PDF](http://www.charity-commission.gov.uk/SIR/ENDS59/0000209259_SIR_09_E.PDF)

### Question 1 - The Charity's Aims

Variety Club Children's Charity aims to improve the lives of children and young people who are sick, disabled and disadvantaged throughout the UK through a variety of programmes. We are non political and nonreligious. Our vision is that every child or young person who is disabled or disadvantaged should be given the hope, independence and mobility to reach their full potential.

### Question 2 - Who benefits?

Children and young people up to the age of 19 years who are sick, disabled and disadvantaged.

### How do you respond to their needs and how do they influence the charity's development?

Our 3 Pillars of Service:

1. Mobility: Sunshine Coaches, Easy Riders Wheelchairs and mobility aids. Programmes provide bespoke solutions to individual requirements.
2. Caring and Health: VCCC contributes to capital projects within children's hospitals, including the Variety Club Children's Hospital at Kings College London, and responds to individual appeals for life-enhancing equipment
3. Youth and Education: Variety at Work Programme enables thousands of young people educational and recreational opportunities otherwise unavailable to them, supports Youth and Community groups and new projects that support development of young people.

### Question 3 - The Charity's Strategy

- Ensure the continuance of our strong service delivery programme expanding our reach and impact to benefit greater numbers of children and young people.
- Broaden our services to better support and include young people 14-19 years and disadvantaged groups – particularly community groups/youth clubs etc.
- Establish a strong regional presence across the UK through recruitment of volunteers.
- Continue to broaden the recognition factor of Variety Club amongst a younger audience.
- Continue to find new and innovative ways of working with our supporters and donors meeting or exceeding our income budget.

### How does your charity measure the success of the strategy?

- Increase in the outcomes of the various programmes, providing feedback and monitoring to funders where necessary.
- Maintain and increase our level of support across all programmes.
- See an increase in the number of youth groups and community projects that we support through continued consultation with such groups and young people developing appropriate projects.
- Expansion of our regional committees and the level of support we are able to provide.
- Strengthen the remit of Young Variety Committee, and using Key Performance Indicators monitor the engagement in areas of interest to young people.
- Maintain and build our income streams with effective use of personnel.

### Question 4 - The Charity's Objectives and Achievements

Objective	Achievement
To build upon our existing and well respected current service provision, specifically Sunshine Coaches, Easy Rider Wheelchairs and our Individual Appeals programme.	A fall in net voluntary income in 2009 resulted in a fall in service delivery, however we still delivered 86 Sunshine Coaches, 120 wheelchairs and buggies and 150 individual appeals.
Develop our Youth Programme through working in partnership	Demand of our Variety at Work programme grew during 2009 with 30,270 children enjoyed days out from gifts in kind, donations and corporate support. Activities developed with strong partnerships with Children with Leukaemia, Barnardo's and Chase.
Improve communications both internally and externally including the development of a clear and strong message about the charity's services, mission, vision and value.	Following the implementation of the new website, an intranet and IT development plan has been formalised for 2010 to centralise, store, make available data across the whole charity.
Develop a fundraising strategy to build a formal donor development programme and set in place the foundations for maximising sustainable new income lines.	Investment was made and the Fundraising department enhanced to deliver a strong and diverse fundraising strategy. A review of Regional structure took place during 2009 and plans are being progressed to deliver the new strategy over 3-5 years.

### Question 5 - The Charity's Income and Expenditure

**What were your charity's most significant activities during the year and how much did you spend on them?**

Charitable Activities	£ 000s
Sunshine Coaches	2,650
Easy Riders Wheelchairs and Buggies	346
Appeals to individuals and institutions	812

**What were your charity's three main fundraising activities in the year and how much did each generate and cost?**

Fundraising Activity	Income Generated £ 000s	Cost of Activity £ 000s
Special Events	3,474	2,266
Corporate Fundraising	1,373	264
Local Fundraising	1,613	144

### Question 6 - The Charity's Financial Health

- It goes without saying that 2009 was a turbulent year. Economic uncertainty meant that we found it more difficult to sell tickets to our events, and donations did slow down, however during the latter part of 2009 we saw sales plateau and increase once again. With the benefits of recruiting a number of professional fundraisers, we were able to secure two new and important corporate supporters which will be capitalised during 2010 through to 2012. At the same time, a strict budgetary system was implemented to maintain costs.
- A new reserves policy of 6 months was agreed, though this will be under constant review during the year. We look forward to a positive and financially rewarding 2010.

### Question 7 - The Next Year

**How will the overall performance last year affect your charity's medium to long term strategy?**

We are aware that the recession will continue to have an effect upon our income. However we believe with our strong charity brand, consolidation and development of new income streams and the acquisition of new large corporate supporters whilst continuing to maintain strong internal budgetary controls, that 2010 will show a good return on our investment. We intend to increase the numbers of children and young people we are able to help and continue to improve and develop quality services.

**What are your charity's main objectives for next year?**

- To develop and implement a strong individual giving strategy including developing Legacies and Wills.
- To consolidate and develop new corporate partners and raise the awareness of the charity specifically within a younger demographic. Developing imaginative fundraising support will also encourage volunteering and volunteering opportunities.
- To consult with stakeholders and review current funding programmes ensuring we continue to grow and deliver the appropriate projects thereby empowering as many young people as possible to achieve their potential.
- Ensure all internal budgetary requirements maximise a return on investment.

### Question 8 - The Charity's Governance

**How does the charity ensure that its governance arrangements are appropriate and effective?**

Variety Club Children's Charity is governed by its Trustees in its historic format. The Trustees retain total control of Variety Club and delegate the task of organising events, raising funds and allocating funds to a number of committees on which various Trustees sit.

The Trustees are subject to election in accordance with the Articles of Association and all Trustees, by nature of the recruitment process, are already familiar with the work and procedures of the charity and receive a copy of the Charity Commission paper 'Responsibilities of Trustees' and asked to sign a paper confirming they understand this.

## BBB Wise Giving Alliance example

<http://www.bbb.org/charity-reviews/national/children-and-youth/variety---the-childrens-charity-of-the-united-states-in-los-angeles-ca-3629>

<p>BBB Wise Giving Report for <b>Variety – The Children’s Charity of the United States</b></p> <p>BBB Wise Giving Report <b>issued</b> September 2009 BBB Wise Giving Report <b>expires</b> September 2011</p> <p><b>DOES NOT MEET ONE OR MORE STANDARDS</b> This charity does not meet one or more of the 20 standards for Charity Accountability. <a href="#">Find out more...</a></p>	<p>Better Business Bureau Report for <b>Variety The Children's Charity of St. Louis</b></p>  <p>Better Business Bureau Report <b>issued</b> April 2010 Better Business Bureau Report <b>expires</b> April 2011</p> <p>This BBB Accredited charity meets all 20 Standards for Charity Accountability and is a Seal Holder. <a href="#">Find out more...</a></p>
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### Charity Contact Information

Name: Variety – The Children’s Charity of the United States  
Address: 5757 Wilshire Boulevard,  
Suite 445  
Los Angeles, CA 90036  
Phone: 323-954-0820  
Web Address: [www.usvariety.org](http://www.usvariety.org)

### BBB Wise Giving Alliance Comments

**Year, State Incorporated:** 1996, Pennsylvania

**Affiliates:** 23 chapters

**Stated Purpose:** "to support and encourage U.S. chapters in providing funding and services for programs that strive to improve the quality of life for underprivileged, physical and mentally challenged, ill, abused, neglected and abandoned children."

### Evaluation Conclusions - Variety does not meet the following 2 [Standards for Charity Accountability](#).

*Standard 1: Oversight of Operations and Staff*

**Variety does not meet this Standard because the last assessment of the chief executive officer was done in January, 2007.**

*Standard 3: Frequency and Attendance of Board Meetings*

**Variety does not meet the meeting frequency provision of this Standard for meetings held in the past fiscal year because although three meetings were held, these meetings were held via telephone, and not in person.**

Variety – The Children’s Charity of the United States (Variety) meets the remaining 18 [Standards for Charity Accountability](#).

### Programs

Variety provides support to individual chapters by coordinating fund raising events and activities primarily by offering gold heart pins for purchase, setting fiscal and administrative standards, and overall marketing direction. Through Variety's National Mobility Program, local chapters provide children in their communities with prosthetic limbs, walkers, wheelchairs, and specially designed adaptive bikes.

## Governance

**Chief Executive:** Ana LaDou, Chief Executive Officer

**Compensation\*:** \$215,709

**Chair of the Board:** Jack Foley

**Chair's Profession / Business Affiliation:** President of Distribution - Focus Features

**Board Size:** 10

**Paid Staff Size:** 1

## Fund Raising

### **Method(s) Used:**

Print advertisements, television appeals, radio appeals, and Internet appeals.

Fund raising costs were 5% of related contributions. (Related contributions, which totalled \$1,130,640, are donations received as a result of fund raising activities.)

## Tax

### **Status**

This organization is tax-exempt under section 501(c) (3) of the Internal Revenue Code. It is eligible to receive contributions deductible as charitable donations for federal income tax purposes.

## Financial

The following information is based on Variety's audited financial statements for the year ended September, 30 2008.

### **Source of Funds**

Grants and campaign income	846,441
Gold heart pins	284,199
Fred Astaire Dance Studios	25,607
Interest income	17,456
Miscellaneous	5,913
National conference	3,750
<b>Total Income</b>	<b>\$1,183,366</b>

### **Uses of Funds as a % of Total Expenses**

**Programs:** 86% **Fund Raising:** 4% **Administrative:** 10%

Program expenses	1,136,228
Fund raising expenses	56,014
Administrative expenses	136,030
<b>Total expenses</b>	<b>\$1,328,272</b>
Expenses in Excess of Income	(144,906)
Beginning net assets	628,422
Ending net assets	483,516
Total liabilities	364,229
Total assets	\$847,745

*Note: Variety's audited financial statements for the fiscal year ended September 30, 2008 report gifts of in-kind income of \$111,200. This amount consists of poster printing (\$49,200), fulfillment and storage (\$27,000), creative design (\$5,000), and shipping (\$3,000).*

# BBB Wise Giving Alliance 20 Standards

<http://www.bbb.org/us/Charity-Standards/>

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## GOVERNANCE AND OVERSIGHT

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1. A board of directors that provides adequate oversight of the charity's operations and its staff.
2. A board of directors with a minimum of five voting members.
3. A minimum of three evenly spaced meetings per year of the full governing body with a majority in attendance, with face-to-face participation.
4. Not more than one or 10% (whichever is greater) directly or indirectly compensated person(s) serving as voting member(s) of the board. Compensated members shall not serve as the board's chair or treasurer.
5. No transaction(s) in which any board or staff members have material conflicting interests with the charity resulting from any relationship or business affiliation.

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## MEASURING EFFECTIVENESS

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6. Have a board policy of assessing, no less than every two years, the organization's performance and effectiveness and of determining future actions required to achieve its mission.
7. Submit to the organization's governing body, for its approval, a written report that outlines the results of the aforementioned performance and effectiveness assessment and recommendations for future actions.

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## FINANCES

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8. Spend at least 65% of its total expenses on program activities.

Formula for Standard 8:

$$\frac{\text{Total Program Service Expenses}}{\text{Total Expenses}} \text{ should be at least 65\%}$$

9. Spend no more than 35% of related contributions on fund raising. Related contributions include donations, legacies, and other gifts received as a result of fund raising efforts.

Formula for Standard 9:

$$\frac{\text{Total Fund Raising Expenses}}{\text{Total Related Contributions}} \text{ should be no more than 35\%}$$

10. Avoid accumulating funds that could be used for current program activities. To meet this standard, the charity's unrestricted net assets available for use should not be more than three times the size of the past year's expenses or three times the size of the current year's budget, whichever is higher.

11. Make available to all, on request, complete annual financial statements prepared in accordance with generally accepted accounting principles.
12. Include in the financial statements a breakdown of expenses (e.g., salaries, travel, postage, etc.) that shows what portion of these expenses was allocated to program, fund raising, and administrative activities.
13. Accurately report the charity's expenses, including any joint cost allocations, in its financial statements.
14. Have a board-approved annual budget for its current fiscal year, outlining projected expenses for major program activities, fund raising, and administration.

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## FUND RAISING AND INFORMATIONAL MATERIALS

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15. Have solicitations and informational materials, distributed by any means, that are accurate, truthful and not misleading, both in whole and in part.
16. Have an annual report available to all, on request, that includes:
  - a. the organization's mission statement,
  - b. a summary of the past year's program service accomplishments,
  - c. a roster of the officers and members of the board of directors,
  - d. financial information that includes (i) total income in the past fiscal year, (ii) expenses in the same program, fund raising and administrative categories as in the financial statements, and (iii) ending net assets.
17. Include on any charity websites that solicit contributions, the same information that is recommended for annual reports, as well as the mailing address of the charity and electronic access to its most recent IRS Form 990.
18. Address privacy concerns of donors by
  - a. providing in written appeals, at least annually, a means (e.g., such as a check off box) for both new and continuing donors to inform the charity if they do not want their name and address shared outside the organization, and
  - b. providing a clear, prominent and easily accessible privacy policy on any of its websites that tells visitors (i) what information, if any, is being collected about them by the charity and how this information will be used, (ii) how to contact the charity to review personal information collected and request corrections, (iii) how to inform the charity (e.g., a check off box) that the visitor does not wish his/her personal information to be shared outside the organization, and (iv) what security measures the charity has in place to protect personal information.
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:
  - a. 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),
  - b. the duration of the campaign (e.g., the month of October),
  - c. any maximum or guaranteed minimum contribution amount (e.g., up to a maximum of \$200,000).
20. Respond promptly to and act on complaints brought to its attention by the BBB Wise Giving Alliance and/or local BBBs about fund raising practices, privacy policy violations and/or other issues.

# Charity Navigator example

<http://www.charitynavigator.org/index.cfm?bay=search.accountability&orgid=8808>

## Variety the Children's Charity of St. Louis

Helping children with physical and mental disabilities reach their full potential

Current Rating

Accountability

Historical Data

Reviews (6)

News

### Rating

#### Overall Rating

★★★★☆  
(48.21)

#### Organizational Efficiency

Program Expenses	86.9%
Administrative Expenses	7.9%
Fundraising Expenses	5.1%
Fundraising Efficiency	\$0.05

#### Efficiency Rating

★★★★☆  
(36.19)

#### Organizational Capacity

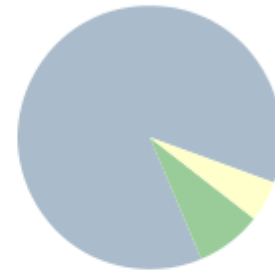
Primary Revenue Growth	-3.5%
Program Expenses Growth	-4.8%
Working Capital Ratio (years)	1.43

#### Capacity Rating

★★★★☆  
(12.02)

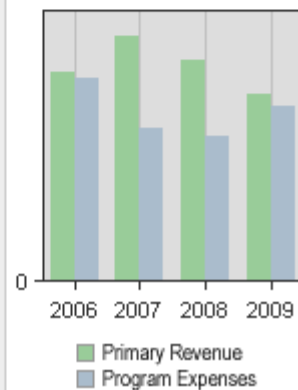
### Charts

#### Expenses Breakdown



■ Program Expenses  
■ Administrative Expenses  
■ Fundraising Expenses

#### Revenue/Expenses Trend



### Income Statement (FYE 09/2009)

#### Revenue

Primary Revenue	\$2,406,519
Other Revenue	\$-51,548
<b>Total Revenue</b>	<b>\$2,354,971</b>

#### Expenses

Program Expenses	\$2,239,229
Administrative Expenses	\$204,410
Fundraising Expenses	\$131,680
<b>Total Functional Expenses</b>	<b>\$2,575,319</b>

Payments to Affiliates	\$0
Excess (or Deficit) for the year	\$-220,348

Net Assets	\$3,707,985
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### Donor Privacy Policy

YES, this charity has a written donor privacy policy.

### Leadership (FYE 09/2009)

Name	Title	Compensation	% of Expenses
Jan Albus	Executive Director	\$127,286	4.94%

### Mission

Founded in 1932, the mission of Variety the Children's Charity of St. Louis is to serve children with physical and mental disabilities in the Greater St. Louis region whose needs would not be met were it not for Variety's sustained commitment. Variety serves these children each time they need assistance, from infancy to the age of 21, providing durable medical equipment, developmental programs and resources. Variety also allocates funds to 85 partner agencies - children's charities in the Greater St. Louis region that serve children with physical and mental disabilities. Variety focuses on four core areas to help our kids become healthy and independent: gifting medical equipment for mobility & independence, creating unique recreational & therapeutic programs, funding 85 strong partner programs, and raising funds & awareness in St. Louis.

### Charities Performing Similar Types of Work

Highly Rated

Most Viewed

Charity Name	Overall Score	Overall Rating
Variety the Children's Charity of St. Louis - MO	48.21	★★★☆
Two Ten Footwear Foundation - MA	57.56	★★★☆
Hispanic Federation - NY	63.55	★★★★
Global Fund for Women - CA	57.80	★★★☆
MPTV Friends - WI	58.15	★★★☆

[Compare These Charities \(Highly Rated\)](#)

Accountability & Transparency	
<b>Charity's Website</b>	
<i>Does the charity's website include readily accessible information about the following:</i>	
Board Members Listed	<input checked="" type="checkbox"/>
Key staff listed	<input checked="" type="checkbox"/>
Audited Financials	<input checked="" type="checkbox"/>
Form 990	<input checked="" type="checkbox"/>
Privacy Policy	<input checked="" type="checkbox"/>
<b>IRS Form 990</b>	
Does Not Provide Loan(s) to related parties	<input checked="" type="checkbox"/>
No Material diversion of assets	<input checked="" type="checkbox"/>
Documents Board Meeting Minutes	<input checked="" type="checkbox"/>
Provided copy of Form 990 to organization's governing body	<input checked="" type="checkbox"/>
Conflict of Interest Policy	<input checked="" type="checkbox"/>
Whistleblower Policy	<input checked="" type="checkbox"/>
Records Retention Policy	<input checked="" type="checkbox"/>
CEO listed with salary	<input checked="" type="checkbox"/>
Process for determining CEO compensation	<input checked="" type="checkbox"/>
Does Not Compensate Board	<input checked="" type="checkbox"/>
Audited financials prepared by independent accountant	<input checked="" type="checkbox"/>
Existence of an Audit Committee	<input checked="" type="checkbox"/>

# Charity Navigator Ratings - Current

<http://www.bbb.org/us/Charity-Standards/>

No. of Stars	Qualitative Rating	Description
★★★★★	Exceptional	Exceeds industry standards and outperforms most charities in its Cause.
★★★★☆	Good	Exceeds or meets industry standards and performs as well as or better than most charities in its Cause.
★★★☆☆	Needs Improvement	Meets or nearly meets industry standards but underperforms most charities in its Cause.
★★☆☆☆	Poor	Fails to meet industry standards and performs well below most charities in its Cause.
NONE	Exceptionally Poor	Performs far below industry standards and below nearly all charities in its Cause.

## Summation Scores

Rating:	★★★★★	★★★★☆	★★★☆☆	★★☆☆☆	0 Stars
Organizational Efficiency Score	≥ 37.5	32.5 - 37.5	27.5 - 32.5	22.5 - 27.5	< 22.5
Organizational Capacity Score	≥ 22.5	17.5 - 22.5	12.5 - 17.5	2.5 - 12.5	< 2.5
<b>Overall Score:</b>	≥ 60	50 - 60	40 - 50	25 - 40	< 25

## 1A - Organisational Efficiency

Analysing a charity's efficiency reveals how well it functions day to day. Charity Navigator analyses four performance categories of organizational efficiency: program expenses, administrative expenses, fundraising expenses, and fundraising efficiency.

### Performance Category 1: Program Expenses (Rating 0-10)

Program expenses divided by total functional expenses (higher is better).

### Performance Category 2: Administrative Expenses (Rating 0-10)

Charity's administrative expenses divided by total functional expenses (lower is better).

### Performance Category 3: Fundraising Expenses (Rating 0-10)

Fundraising expenses divided by total functional expenses (lower is better).

### Performance Category 4: Fundraising Efficiency (Rating 0-10)

Charity's fundraising expenses divided by the total contributions it receives as a result (lower is generally better).

## 1B - Organisational Capacity

Analysing a charity's capacity to determine how well it has sustained its programs and services over time, and whether it can continue to do so, even if it loses support or faces broad economic downturns.

### Performance Category 5: Primary Revenue Growth (Rating 0-10)

Charity Navigator analyses a charity's average annual growth of primary revenue over three to five years.

### Performance Category 6: Program Expenses Growth (Rating 0-10)

Charity Navigator analyses a charity's average annual growth of program expenses over three to five years.

### Performance Category 7: Working Capital Ratio (Rating 0-10)

Charity's working capital divided by its total expenses

# Charity Navigator Ratings – Current & Future

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1093> &

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1162>

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## 2. Accountability and transparency - Current

When examining accountability and transparency, Charity Navigator seeks to answer two basic questions:

1. Does the charity follow ethical best practices?
2. Does the charity make it easy for donors to find critical information about the organization?

We consider two data sources when examining accountability and transparency:

- A review of the organization's website; and
- Additional information available from the newly expanded IRS Form 990.

Please note that, at this time, Charity Navigator isn't able to make its own independent assessments of the information charities provide to donors. For now, our goal is to let donors know whether charities are making certain kinds of important information readily available to donors. We plan to further enhance our methodology and conduct our own reviews of that information starting in 2011.

### 1. A Review of the Charity's Website

All information must be easily accessible on the charity's website.

- Board members listed
- Key staff listed
- Audited financials
- Form 990
- Privacy Policy

### 2. Data culled from Form 990

- Loan(s) to related parties
- Material diversion of assets: for example embezzlement
- Documents Board meeting minutes
- Provided copy of Form 990 to organization's governing body
- Conflict of interest policy
- Whistleblower policy
- Records retention policy
- CEO listed with salary
- Process for determining CEO compensation
- Compensates Board: compensation can call into question a charity's financial integrity
- Audited financials prepared by independent accountant
- Existence of an audit committee

## 3. Results - Future

1. What is the charity's commitment to reporting results?
2. How does the charity demonstrate the demand for its services?
3. Does the charity report its outputs (what it does)?
4. Does the charity report its outcomes (defined as the identifiable differences that it makes through its work)?
5. What is the quality of evidence for reported results?
6. Does the charity adjust and improve in light of its results?

Charities that publish rigorously collected feedback from their beneficiaries will earn a significant number of rating points.