

Charitable Organization Evaluation Guide

Introduction

This guide will help you thoroughly evaluate charitable organizations to ensure your contributions create maximum impact. By researching key aspects of an organization's operations, finances, and effectiveness, you can make informed giving decisions that align with your values and priorities.

Helpful Resources for Charity Evaluation

- [Charity Navigator](#) - Evaluates charities based on financial health, accountability, and transparency
- [GuideStar](#) - Provides comprehensive nonprofit information including financial reports and program details
- [CharityWatch](#) - Independent charity watchdog that rates organizations based on financial efficiency
- [BBB Wise Giving Alliance](#) - Evaluates charities against 20 standards of accountability
- [IRS Tax Exempt Organization Search](#) - Verify an organization's tax-exempt status

Organization Profile

Organization Name:

Organization Website:

Mission Statement:

Main Programs/Services:

Year Founded:

Organization Size:

Geographic Scope:

Tax-Exempt Status:

Tip: Always verify an organization's tax-exempt status using the IRS Tax Exempt Organization Search tool. Only donations to qualified 501(c)(3) organizations are tax-deductible.

Financial Health Assessment

Financial Metric	Value	Notes/Interpretation
Annual Revenue	<input type="text"/>	<input type="text"/>
Program Expenses (% of total)	<input type="text"/>	<input type="text"/>
Administrative Expenses (% of total)	<input type="text"/>	<input type="text"/>
Fundraising Expenses (% of total)	<input type="text"/>	<input type="text"/>
Executive Compensation	<input type="text"/>	<input type="text"/>
Fundraising Efficiency (Cost to raise \$1)	<input type="text"/>	<input type="text"/>
Revenue Growth Rate (Year-over-Year)	<input type="text"/>	<input type="text"/>

Interpretation Guidelines:

- **Program Expenses:** Generally, higher percentages (70%+) indicate more efficient use of funds for mission-related activities
- **Administrative Expenses:** While lower is often better, extremely low percentages may indicate insufficient infrastructure
- **Fundraising Efficiency:** Lower costs to raise \$1 (under \$0.20) suggest efficient fundraising
- **Executive Compensation:** Should be reasonable given organization size, location, and sector

Important Note: Financial metrics alone don't tell the full story. A newer organization, smaller charity, or one working in a particularly challenging field may have higher overhead costs while still creating significant impact. Consider these metrics alongside program effectiveness and organizational leadership.

Transparency & Accountability

Indicator	Yes/No/Unknown	Notes
Annual Report Publicly Available	Yes ▼	
Form 990 (Tax Return) Publicly Available	Yes ▼	
Independent Board of Directors	Yes ▼	
Conflict of Interest Policy	Yes ▼	
Clear Description of Programs and Outcomes	Yes ▼	
Publishes Metrics for Program Evaluation	Yes ▼	
Third-Party Ratings/Accreditations	Yes ▼	

Tip: Transparency indicators demonstrate an organization's commitment to accountability. Organizations that openly share information about their finances, governance, and program outcomes typically exhibit better stewardship of donor funds.

Program Effectiveness

Organization's Stated Goals & Objectives:

Evidence of Impact (Outcomes & Results):

How Does the Organization Measure Success?

Number of Beneficiaries/People Served:

Cost per Beneficiary/Unit of Service (if available):

What Makes This Organization's Approach Unique or Effective?

Tip: Look for specific, measurable outcomes rather than vague statements about impact. Effective organizations can clearly articulate what success looks like and provide evidence that their programs are achieving meaningful results.

Contribution Options

Ways to Give

Contribution Type	Available?	Details
One-time Monetary Donations	Yes 	<div></div>
Recurring Donations	Yes 	<div></div>
Volunteer Opportunities	Yes 	<div></div>
In-Kind Donations	Yes 	<div></div>
Planned Giving Options	Yes 	<div></div>
Specific Projects/Programs to Support	Yes 	<div></div>

Minimum Donation Amount (if any):

How are donations allocated? Can donors designate funds for specific programs?

Donor Recognition Programs (if any):

Red Flags Checklist

Check for any potential warning signs:

- ☐ Unwillingness to share financial information
- ☐ Extremely high administrative or fundraising costs (over 50%)
- ☐ Inability to clearly explain programs or provide evidence of impact
- ☐ High-pressure fundraising tactics
- ☐ No independent board of directors
- ☐ Lack of clear mission or focus
- ☐ Recent scandals or legal issues
- ☐ Unwillingness to provide references or testimonials
- ☐ Questionable or misleading claims about impact
- ☐ Poor reviews or ratings from charity evaluators

Other Concerns or Notes:

Warning: The presence of one or more red flags doesn't necessarily mean an organization should be avoided, but it does suggest the need for further investigation before making a contribution.

Overall Evaluation

Organizational Strengths:

Organizational Weaknesses/Areas for Improvement:

Alignment with Your Personal Values and Giving Priorities:

Financial Health Rating (1-5):

1 - Poor

Transparency & Accountability Rating (1-5):

1 - Poor

Program Effectiveness Rating (1-5):

1 - Poor

Overall Rating (1-5):

1 - Poor

Giving Decision:

Strong Yes - Will definitely support

Additional Notes/Follow-up Items:

