

# Charity Research Practice Worksheet

Learn to evaluate charitable organizations before donating

## Part 1: Using Charity Evaluation Tools

### Exercise 1: Research a Real Charity

Choose a charitable organization you're interested in and research it using Charity Navigator ([charitynavigator.org](http://charitynavigator.org)) or GuideStar ([guidestar.org](http://guidestar.org)).

#### a) Organization name and mission:

Name the organization and state its mission...

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#### b) What percentage of funds goes directly to programs?

List the program expense ratio...

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#### c) What is their overall rating or score?

Record their rating from the evaluation tool...

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#### d) Based on your research, would you donate to this organization? Why or why not?

Explain your decision with specific evidence...

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**Hint:** Look for organizations that spend at least 75% of their budget on programs and have high transparency ratings.

## Part 2: Comparing Charitable Organizations

### Exercise 2: Side-by-Side Comparison

Use the PACED decision-making model to compare two organizations addressing the same cause.

**a) Identify two organizations working on the same issue (e.g., two environmental charities):**

Organization 1: \_\_\_\_\_ Organization 2: \_\_\_\_\_

**b) Complete this comparison table:**

Criteria	Organization 1	Organization 2
Program expense ratio		
Transparency rating		
Years in operation		
Geographic focus		
Measurable outcomes		

**c) Which organization would you choose and why?**

Justify your decision based on the criteria...

## Part 3: Identifying Red Flags

### Exercise 3: Spotting Fraudulent Charities

Review this scenario and identify the warning signs.

*You receive a phone call from "Veterans Support Foundation" asking for an immediate donation. The caller says they need your credit card number right away because a matching donor will double your gift, but only if you donate in the next 10 minutes. When you ask for their website, they give you a URL that's similar to a well-known veterans charity but slightly different.*

**a) List ALL the red flags in this scenario:**

Identify each warning sign...

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**b) What should you do instead of providing your credit card information?**

Describe the proper steps to verify this charity...

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**c) Where would you report a suspected fraudulent charity?**

List agencies or resources for reporting...

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**Key Red Flags:** High-pressure tactics, requests for immediate payment, similar names to legitimate charities, refusal to provide written information, no verifiable tax ID.

## Part 4: Reading a Form 990

### Exercise 4: Analyzing Financial Information

Form 990 is the tax return that nonprofits must file annually. Use GuideStar to find a Form 990 for an organization you're researching.

#### a) What is the organization's total revenue?

Find this on the Form 990...

#### b) What percentage is spent on:

- Program services: \_\_\_\_%
- Management/general: \_\_\_\_%
- Fundraising: \_\_\_\_%

#### c) What is the CEO/Executive Director's compensation?

Find this in Part VII or Schedule J...

#### d) Is the executive compensation reasonable for the organization's size? Explain:

Compare to similar organizations...

**Hint:** Charity Navigator provides guidance on reasonable executive compensation based on organization size and sector.

## Part 5: Aligning Giving with Values

### Exercise 5: Personal Values Assessment

**a) Rank these charitable causes by personal importance (1 = most important):**

- ☐ Education
- ☐ Health/Medical Research
- ☐ Environment/Conservation
- ☐ Poverty/Hunger Relief
- ☐ Animal Welfare
- ☐ Arts/Culture
- ☐ Community Development
- ☐ Other: \_\_\_\_\_

**b) Why is your top-ranked cause most important to you?**

Explain your personal connection or motivation...

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**c) What specific outcomes would you like to see from your charitable giving?**

Be specific about the impact you want to make...

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## Reflection Questions

### 1. Why is it important to research charities before donating?

Your reflection...

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### 2. What criteria matter most to you when evaluating a charitable organization?

Your answer...

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### 3. How will you use what you learned to make better giving decisions?

Describe your approach going forward...

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