



Want to Get the Best Bang for Your Donation Buck?

Five Easy Steps to Making Sure Your Money Is Going to the Best Nonprofits

The weather outside is getting frightful, which is a sure sign that the giving season is upon us. It's the [last quarter of the year](#), when many of you dig deep and give to charities working toward missions that you care about.

We know that finding the “best” nonprofit to support can be daunting, so we’re here to help. **It comes down to one word: research.** Taking a few minutes to look into the nonprofit that piques your interest can go a long way when it comes to making sure you are giving to the right charity. GuideStar offers the following tips to help you get the most out of your end-of-year charitable giving:

- 1. Clarify values and preferences.** What do you value? Do you have an artistic streak? Do you love animals? Do you want to support health research? Consider the type of charity that you’d have the best connection with—small or large; new or old; local, national, or international.
- 2. Focus on the mission.** Missions are the lifeblood of our sector. Make sure a nonprofit has an easy-to-understand mission that aligns with your principles and beliefs. You can look up a specific nonprofit in GuideStar’s database of more than 1.8 million organizations, or use the advanced search to find charities by category, size, and location. The mission should also be easily found on a nonprofit’s Web site.
- 3. Verify a charity's legitimacy.** Let’s face it: there are sham nonprofits out there. And some charities that used to be exempt are no longer, because of the [Pension Protection Act of 2006](#). Verifying that the IRS currently recognizes a nonprofit as a tax exempt organization is imperative. A glance at a nonprofit’s report on GuideStar will answer this question. Nonprofits that do not meet IRS criteria are flagged.
 - If the charity is not on GuideStar, ask to see its IRS letter of determination.
 - If the organization is faith-based (churches and other religious nonprofits are not required to file with the IRS), ask to see its official listing in a directory for its denomination.
- 4. Get the cold, hard facts.** Once you find a nonprofit that meets the requirements above, dig a bit deeper into the organization’s GuideStar profile, visit the nonprofit’s Web site, read its annual report, or look into recent press articles or media mentions of the organization to learn more about its programs and learn how it’s spending donation dollars. A reputable organization:
 - Defines its mission and programs clearly.
 - Is transparent about its inner workings.
 - Has measurable goals and uses concrete criteria to describe its achievements.
 - Is open about programs and finances.
- 5. Trust your instincts.** If you still have doubts about a charity, don't contribute to it. There are usually multiple nonprofits focusing on a similar mission, so find another nonprofit that does the same kind of work and makes you feel more comfortable. Reputable charities:
 - Are willing to send you literature about their work or direct you to a website.
 - Don't use pressure tactics.
 - Take "no" for an answer.

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How do you go about doing all of this? Here are great resources to help you:

GuideStar, www.guidestar.org

We are commonly referred to as a watchdog, but the truth is, we're not. **The fact is, we're a nonprofit ourselves.** We know that donors come to the giving decision with a variety of values, so we want to display as much information as we can about a nonprofit **without** making judgments on your behalf.

- Last year we partnered with Hope Consulting on a project called [Money for Good](#) to explore donor behavior and we reformatted our nonprofit reports—the information you get when you look up a nonprofit on www.guidestar.org—based on the findings of that research to highlight the information you care about most.
- Check out our [new Quick View Summary](#) to see at a glance if we have key pieces of information about a nonprofit. A green check mark means we have it. A yellow exclamation point means we don't.
- If a nonprofit gives us all of the information we ask for, it receives the [GuideStar Exchange Seal](#). If you see the Seal, you know that the nonprofit is fully committed to transparency.
- Check the summary and impact tabs for expert analysis of a nonprofit. You can see additional recommendations compiled by Philanthropedia, a subsidiary of GuideStar, on www.myphilanthropedia.org, and analyses of specific causes and organizations in GuideStar's [TakeAction resource center](#).
- Remember that overhead—the ratio of how much an organization spends on administrative costs in relation to its total expenses—is just one piece of a much larger puzzle when assessing a nonprofit and it certainly isn't as important as impact. More here: <http://trust.guidestar.org/2012/04/17/is-overhead-dead/>.

GreatNonprofits, www.greatnonprofits.org

You can find reviews for many charities from real people who have interacted with a nonprofit on GuideStar and GreatNonprofits.

Charting Impact, www.chartingimpact.org

We also partnered with BBB Wise Giving Alliance and Independent Sector to bring you Charting Impact, an initiative that enables a nonprofit to create a standardized report that addresses the organization's effectiveness. Charting Impact reports are available at <http://reports.chartingimpact.org/Participants.aspx>.

Be a part of something special with #GivingTuesday!

If you're going to give to charity, why not be part of a new movement that will change the calendar and help make history? On Tuesday, November 27, 2012, GuideStar is joining a new day dedicated to giving, #GivingTuesday. We invite you to be part of this national celebration of our great tradition of generosity. #GivingTuesday will show how Americans can do much more with our wallets than just consume. Visit <http://www.givingtuesday.org/> to learn more.

Check out our infographic about Choosing a Charity: <http://www.guidestar.org/rxg/give-to-charity/tips-for-choosing-a-charity.aspx>.

In down economic times, philanthropy is more important than ever, and so is the hard-earned money of donors across country. Be confident that the money you give is being put to the best possible use.

*As a nonprofit ourselves, we are committed to supporting the causes you care about most. With your tax-deductible donation to GuideStar, we can help the nonprofits that you care about continue their important services in your community. **Please help us make an impact.** <http://bit.ly/GivetoGS>*

