The Benefits of Registering for Charity-Rating Websites



Why should you register for a charity-rating website?

There are many benefits to registering your nonprofit on a charity-rating website. Given the number of virtual scams nowadays, donors are seeking trustworthy methods to discover reputable nonprofits. They may also wish to compare organizations with similar causes, should they have limited funding to give. Luckily, this is where charity-rating websites come in. Often nonprofits themselves, charity-rating organizations help root out untrustworthy groups and promote valuable charities. Many websites publish lists of their top-rated nonprofits. In addition to being an excellent avenue for increased publicity, these lists may also contribute to nonprofit fundraising efforts. Charity-rating websites are an effective method for measuring the quantitative effect of a nonprofit and furthering donor trust.

Where can I register my nonprofit?

Many websites rank nonprofits; however, they differ in their methods of data collection and ranking criteria. Common ranking themes include transparency, management success, fundraising effectiveness, and community impact. Below is a list of several well-known charity-rating websites, as well as their ranking guidelines.



• Better Business Bureau Wise Giving Alliance

- O How it works: Determines rankings based on the twenty BBB Standards for charity accountability. Requirements include themes such as governance, effectiveness, finances, and solicitations. The website then marks each standard as met, not met, or unverifiable. Charities that meet all twenty requirements are BBB Accredited and may pay a small fee to have the seal on their website. Registered nonprofits may complete an additional questionnaire based on four key areas: governance, results reporting, finances, and truthful transparent communications.
- Website link: Better Business Bureau



• Charity Navigator

- How it works: Ranking over 200,000 501(c)(3) organizations, this website employs automated data collection to craft an in-depth look at financial stability, accountability, and transparency. Among other criteria, the website bases its ratings on a nonprofit's Form 990. Ratings are calculated in four distinct areas: Accountability and Finance, Impact and Results, Leadership and Adaptability, and Culture and Community. Nonprofits may provide additional information such as a mission and vision statement, strategy, equity, and feedback practices. The website also publishes a list of their top-rated charities. However, the organization does not rate a nonprofit until they have filed Form 990 for seven consecutive years, as well as accrued an annual revenue greater than one million dollars for two consecutive years.
- Website link: Charity Navigator



CharityWatch

- How it works: Initially known as the American Institute of Philanthropy, this organization has ratings for over 650 charities, adding about fifteen more each year. While other websites utilize automation to calculate their ratings, CharityWatch employs nonprofit accounting experts to review finances, tax information, and more. (Due to the time-consuming nature of this intensive dive into charities, CharityWatch ranks considerably fewer nonprofits than other charity watchdog websites.) Their final report includes two important measurements: the program percent, or the percentage of total expenses a nonprofit spends on their programs, and the cost to raise one hundred dollars, or the total amount per one hundred dollars raised. Finally, it assigns a rating from A+ to F. Updates info for existing organizations annually. The website does not take requests for which nonprofits to consider, and generally only publishes charities with an operating budget of over \$1,000,000.
- Website link: Charity Watch



GuideStar/Candid

How it works: While the organization merged with the Foundation Center in 2019 to become Candid, the name "GuideStar" refers to a service that accrues data and crafts valuable insight for donors. Their rankings are based on rudimentary demographic information from IRS filings and additional information from registered nonprofits. For this reason, they differ from other ranking websites that offer only quantitative reviews of nonprofits. Their reports include program descriptions, results, outcomes, strategies, finances, and stakeholder reviews. A nonprofit may achieve varying seals of transparency (bronze, silver, gold, and platinum) based on increasingly rigorous criteria.

Website link: <u>Candid</u>



GreatNonprofits

- How it works: Serving over 1.8 million nonprofits worldwide, GreatNonprofits acts as a hub for nonprofit reviews written by volunteers, board members, and donors- anyone who interacts with a nonprofit in a meaningful way. This form of review allows for a more personalized look into working with a nonprofit, rather than the quantitative data many other charity-rating websites offer. It's easy to invite reviews, whether via email, social media, or text messaging. Due to their affiliation, reviews submitted on GreatNonprofits also appear in GuideStar. Additionally, any nonprofits registered on GuideStar are automatically listed on GreatNonprofits.
- Website link: <u>GreatNonprofits</u>

Want to learn more? Check out these resources below:

DONOR TIPS: The importance of charity ratings.

- Promotes the importance of educating donors through charity watchdog websites. Written for potential donors, but explains the importance of each site.

Owning Your Nonprofit's Digital Footprint: Charity Rating Sites

- Provides descriptions of various charity watchdog websites such as Guidestar, Great Nonprofits, Google My Business, and Charity Navigator. Also provides step-by-step instructions on how to register for each site.

How to avoid scams and be a smart donor - Marketplace

 Written for potential donors; however, it promotes the importance of using charity watchdog websites.

Beyond the Numbers: Understanding Nonprofit Ratings & Their Impact

 Compares the different charity watchdog websites, as well as the pros and cons of nonprofit rankings.

Resources for Donors | WA Secretary of State

- Directed at donors. Lists various reliable charity watchdog websites, organized in categories such as independent charity watchdogs, the state government, and the federal government.

Rating. An Assessment of Organizations and Publications That Rate/Rank Charitable Nonprofit Organizations - PDF Free Download

- Provided by the National Council of Nonprofit Associations and National Human Services Assembly. An in-depth study into the varying ranking criteria.

<u>CharityWatch promotes informed charitable giving - North Branch Works</u>

- Focuses solely on CharityWatch. Provides a glowing review of the website.

Looking for Volunteers? Planning an Event? Get Noticed on the NEH!

Introducing the Nonprofit Events Hub (NEH), a comprehensive, one-stop-shop designed to connect Anne Arundel County residents with local nonprofits. Nonprofits can submit free or low-cost events to the NEH in just a few easy steps. The public can then search for events by date and category. Try it out!

