

BENEFACTION

Organization Screening and Assessment Criteria Checklist

The following Level 1 and Level 2 criteria for screening charities is courtesy of Philanthropic Partnerships Inc.

Level 1 Screening Criteria

Used to identify a short list of potential organizations.

All organizations identified must meet this first set of criteria:

- In good standing with CRA
(Visit <https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyAdvncdSrch>)
- A match with your Scope (e.g. National or Local community based)
- Doing good – i.e. have active programs and services on a local, national or international level
- Closely aligned and supports one of your priority areas of interest

Level 2 Screening Criteria

Used to generate the final list of organizations to support.

Based on CRA information and any website or public information available from the organization:

- Clear in their purpose and mandate
- Listing of Board of Directors
- Evidence of sound financial statements
- Appropriate fundraising costs*
- Appropriate administrative costs**
- Clear evidence of information on programs and services
- Evidence of active volunteers
- Annual Report/publications/newsletters
- Website presence
- Evidence of impact/results of programs and services
- Indication of awards/new approaches

References from Benefaction

*CRA applies the following general guidelines to the ratio of fundraising expenses to revenue:

- **Under 35%:** Unlikely to generate questions or concerns, in particular if it is below 20%.
- **35% and above:** The CRA will examine the average ratio over recent years to determine if there is a trend of high fundraising costs. The higher the ratio, the more likely it is that there will be concerns and a need for a more detailed assessment of expenditures.
- **Above 70%:** This level will raise concerns with the CRA. The charity must be able to provide an explanation and rationale for this level of expenditure to show that it is in compliance; otherwise, it will not be acceptable.

** In addition to fundraising costs specifically, it is not uncommon for charities to spend between 5-15% of their budget on general administration.

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Questions to Consider and/or Ask the Organization

Following are some questions to ask yourself as you review the public information available, or you could directly ask the organizations on your short-list:

- Does the organization clearly articulate its purpose and mandate?
- What is its plan to address the problem it is seeking to solve?
- Is there evidence that they have developed programs which have achieved meaningful results?
- How does the organization explain its achievements and/or evaluate its programs?
- What are the internal capabilities of the organization?
- What evidence can you find of the depth and breadth of the charity's impact?
- Have they been recognized with any awards or developed a new approach to the problem they are looking to solve?
- Based on their experience, are they lobbying for policy change to help the problem they are trying to solve?
- Do they have a website and how extensive is the information they make available (e.g., annual report, publications, newsletters)? This will give a good indication of their willingness to be open and transparent with information.
- Who is on their board?
- Do they have volunteers? How many and what do they use them for?

Monitoring your Gift

Following are some questions to consider posing to the organization(s) you choose to support, to monitor the impact of your gift:

- What method of evaluation will be best for your type of support?
- What social return was achieved with your investment?
- How can you ensure your resources achieved the greatest possible impact?
- What number of people have they helped through the specific program?
- What are the results on those individuals?
- Was their problem solved on a permanent basis?
- What other indicators are there which might reinforce their results? (e.g. regional statistics for your specified cause)

Helpful Websites

Further research on individual charities can be conducted using the following websites, in addition to reviewing the organization's own website and posted publications such as annual reports and financial statements:

- CRA <https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyAdvncdSrch>
- CharityData <https://www.charitydata.ca/>
- CanadaHelps <https://www.canadahelps.org/en/>
- Charity Intelligence <https://charityintelligence.ca/index.php>
- Give Well <https://www.givewell.org/>