



Best Practices for Savvy Givers

Charity Navigator positions itself as “Your Guide to Intelligent Giving,”

and they rate and rank charities by category. They analyze a non-profit’s financial health and their accountability and transparency as key areas that indicate how efficiently they believe a charity will use the support they receive, how sustainable the programs are and the charity’s level of commitment to good governance, best practices and openness with information.

Here are several tips from [Charity Navigator](#) to help you become a savvy giver.

1. Be Proactive In Your Giving

Smart givers generally don’t give reactively in a knee-jerk fashion. They don’t respond to the first organization that appeals for help. They take the time to identify which causes are most important to their families and they are specific about the change they want to affect. For example, they don’t just support generic cancer charities, but instead have targeted goals for their giving, such as providing mammograms to at-risk women in their community.

2. Hang Up The Phone / Eliminate The Middleman

Informed donors recognize that for-profit fundraisers, those often used in charitable telemarketing campaigns, keep a large portion (in some cases all) of each dollar they collect (read our report about

telemarketing for more specifics on the costs affiliated with this form of fundraising). Wise donors never give out their personal information – like credit card accounts, social security numbers – over the phone. If they like what they hear in the pitch, they’ll hang up, investigate the charity on-line and send their contribution directly to the charity, thereby cutting out the middleman and ensuring 100% of their donation reaches the charity. Taking it a step further, donors may want to reconsider supporting a charity that uses an inefficient telemarketing approach and instead identify a charity that does not use telemarketing to raise funds.

3. Be Careful of Sound-Alike Names

Uninformed donors are easily confused by charities that have strikingly similar names to others. How many of us could tell the difference between an appeal from the Children’s Charity Fund and the Children’s Defense Fund? Their names sound the same, but their performances are vastly different. Would you be surprised to learn that the Children’s Charity Fund is a 0-star charity while the Children’s Defense Fund is a 3-star charity? Informed donors take the time to uncover the difference.

4. Confirm 501(c) (3) Status

Wise donors don’t drop money into canisters at the checkout counter or hand over cash to solicitors outside the supermarket. Situations like these are irresistible to scam artists who

wish to take advantage of your goodwill. Smart givers only support groups granted tax-exempt status under section 501(c) (3) of the Internal Revenue Code. All of the charities evaluated by Charity Navigator meet this basic requirement.

5. Check The Charity’s Commitment To Accountability & Transparency

In 2011, Charity Navigator added an Accountability & Transparency dimension to its rating system. It tracks metrics such as whether the charity used an objective process to determine their CEO’s salary, whether it has an effective governance structure, and whether it has a whistleblower policy. This data is critical because charities that follow good governance and transparency practices are less likely to engage in unethical or irresponsible activities.

To read Charity Navigator’s Top 10 Tips [click here](#).

