ȻONSERVE

General Note on Ratings Methodology

What makes a charity "Conserve Recommended"?

Conserve chooses nonprofit organizations to recommend by asking a simple question: how well does this charity do what it set out to do? The answer to this question lies in exploring everything from the broad long-term impact of the organization's work down to the specific outcomes of each of its projects and programs. While defining and evaluating impact is not an easy task, we believe that a combination of strong reporting, results-driven and self-critical organizational culture, and data-driven decision-making are common factors that stand out among successful and effective organizations.

Conserve recommends nonprofits that have exemplary track records of quantitative and qualitative impact tracking and reporting. We seek to identify organizations that meticulously plan and measure their programs' effect on communities, and that focus on constant improvement to amplify their impact. Each program should have a clear fit into the nonprofit's overall mission statement. Goals should be specific and well-defined, and there should be adequate investment into organizational infrastructure and resources to ensure proper execution of projects. Critically, organizations should never be complacent. Projects should be studied, criticized, and improved continually.

Conserve does **not** make judgments about how efficiently charities are spending their money or whether or not overhead expenses are excessive. Research has shown that the percentage of expenses spent on overhead is not a successful indicator of charitable impact or success. In fact, just like in the for-profit sector, investments in areas such as information technology and human resources are critical to allowing an organization to achieve its goals and assess its impact. Additionally, spending on fundraising can, in many cases, create multiples on initial contribution dollars, magnifying the organization's potential impact. Conserve is also cause-agnostic. We do not rank or distinguish the worthiness of different causes.

Our focus is on results. In the non-profit sector, results can be defined by a combination of hard numbers and qualitative feedback from the communities served. By identifying the organizations that embody good practice when it comes to impact measurement, transparency, and adaptability, we show you where your dollar will do the most good.

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Nonprofit Evaluation Criteria

Note: Descriptions below characterize an “ideal” standard for nonprofits in each category. These criteria are used as guidelines for assessing the relative quality of a nonprofit and are not intended to serve as absolute mandates.

Impact

Alignment of Programs, Outcomes, and Impact to Missions and Goals

- ✔ Each program clearly aligns with the organization’s stated goal, demonstrating organizational cohesion, clarity, and unity
  - Ancillary or secondary programs and initiatives, if any, have a clear relationship to the organization’s central mission or have separate and explicit fundraising

Goal Setting and Strategy[1]

- ✔ Identifies area of need, justifies/rationalizes value of or need for charitable attention
  - Organization identifies why the specific selected program response is an adequate approach
- ✔ The organization sets high-quality goals, which are specific, measurable, and actionable as opposed to vague and intangible
- ✔ The organization has the proper infrastructure and resources in place to clearly and thoroughly track program execution, progress towards stated goals, and outcomes (both direct program-level results as well as broader community-level impact over the long term)
  - This infrastructure is leveraged for standardized and detailed measurement and tracking
- ✔ Individual programs and projects are evaluated and assessed at least annually for successes and strengths as well as failures, deficits, and weaknesses. The identified areas of strength and weakness are specific and clear; actionable and measurable proposals for improvement are identified based on them.
  - Previously identified deficiencies are used as a guideline for future program planning, goal-setting, and execution

Impact[1]

- ✔ The organization has significant program-level outcomes and results given its size and resources
  - The organization demonstrates progress towards the goals and objectives of its programs
  - The organization produces outsize results relative to other organizations of a similar scope and capacity
- ✔ The organization successfully demonstrates broader, sustained, longer-term community level impact
  - Beyond program-level results, programs fundamentally improve the community being served in a manner that relates to the organization’s broader purpose or cause
    - ▪ Achievement of such impact is supported and substantiated both quantitatively (through leveraging data measurement and tracking) and qualitatively (direct feedback from the community is gathered and considered) during and/or after program administration

        - Supporting data is used to make claims and draw conclusions about community level impact
        - Such data and feedback drives (or contributes to) decision-making in future programs
        - Examples of community development vs. program results:
            - Building a school which serves 500 students vs. improving literacy rates in children under age 18 in the community by 10%
            - Distributing 1.5 million anti-malaria bed nets vs. reducing malaria case rates over 5 years by 15%
            - Running a $1 million targeted breast cancer awareness campaign that reached 500,000 people vs. observing a marked rise in general awareness of breast cancer through community survey data
- The organization takes a comprehensive approach to implementing its programs, ensuring success, and maximizing impact
    - Programs build people's capacities to help themselves
        - Organization provides tools and resources, education, and ongoing support/engagement to the community. These factors suggest the organization has given adequate thought and consideration on how to successfully implement a given program and ensuring the factors needed for success are in place
    - If provision of tools and resources, education, and/or ongoing support is not necessary for a particular program, cause, or organization, then such disclosure is provided along with supporting rationalization
        - E.g. in the case of corrective surgery for genetic birth defects where no ongoing patient support or education is required, the organization explains why continuous community engagement is not needed
- For young organizations with a limited track record, the appropriate processes and resources are in place to be able to eventually demonstrate such impact

Transparency and Quality of Reporting

Timeliness, Consistency, and Accessibility

- ✔ Previous tax year's 990 is available
- ✔ At least previous 5 years of required reports are available, and at least 3 years of annual report/audited financial statements/other supplemental reporting if applicable are
- ✔ All reports indicated are available and easy to locate on website
- ✔ Website is easy to navigate and well-organized; menu options are clear and maneuverable. Specific information is easy to locate.

Supplemental Reporting

- ✔ Organization has audited financial statements (or equivalent information is available)

- ✔ Organization publishes annual report (or equivalent information is available)
- ✔ Supplemental reports (or equivalent information) provide substantially more information than available simply in 990

Digestibility and Presentation of Reports

- ✔ Most relevant/important financial, operating, impact, or other information is condensed and presented on a standalone basis
    - Options include separate web pages, snapshots within annual report, etc.
- ✔ Formatting of 990 and other reports is consistent year to year and conducive to comparison
- ✔ Graphics (charts, graphs, images, etc.) are used to help visualize outcomes, impact, and data
- ✔ Sub-headers and titles are used to segment information and orient the reader
- ✔ Information and results are presented in a logical, structured format (broad summary information is presented first, followed by in-depth program-level or operational details and supporting evidence)
    - Example: begin with table of contents, followed by mission statement, followed by executive summary, followed by individual program descriptions and results, followed by findings/analysis, followed by conclusion
- ✔ High readability across all materials

General Accuracy of Claims

- ✔ Organization makes no explicit claims or representations that are meaningfully, provably, and unequivocally inaccurate, misleading, or decontextualized based on investigation and analysis.
    - Such untrue or misleading claims lead to misperceptions among donors and present a one-sided or patently false image of the organization

Governance

Independent Board Members

- ✔ The organization’s voting board members are majority (>50%) independent (an independent member is identified as an individual who is not an employee of the organization)
    - ○ Exceptions for smaller organizations may be made on a case-by-case basis

Local Oversight

- ✔ The organization has written policies and procedures governing the activities of local chapters, branches, or affiliates to ensure that they are consistent with the organization’s exempt purposes

Conflict of Interest Management

- ✔ The organization has a written conflict of interest policy
- ✔ The organization regularly and consistently monitors and enforces this policy
- ✔ Officers, directors/trustees, and key employees are required to annually disclose interests that could give rise to conflicts

- ✔ Any explicit or blatant conflicts of interest among key personnel identified by the evaluators is disclosed

Internal Accountability

- ✔ The organization has a written whistleblower policy in place

Compensation Determination

- ✔ Compensation determination for top management official, as well as for other officers or key employees, included independent review and approval, comparability data, and contemporaneous substantiation and deliberation of the decision

Special Considerations[2]

- ✔ Special effort is made to make information/data more "user-friendly"
- ✔ Strategic partnerships
- ✔ Organizations are evaluated holistically, relative to the size, scale, and capabilities of the organization
- ✔ Notable cases of outstanding cost efficiency or, conversely, excessive "overhead" spend (Fundraising and General and Administrative costs in the 990)[2]
- ✔ Unique operational/business model that allows for incremental efficiencies which serve to amplify impact[3]
- ✔ Impact information is audited by a third independent reviewer
- ✔ Organization demonstrates ability to accept large amounts of donations

1. The Goal Setting and Impact sections serve as an evaluation of both the criteria listed as well as the organization's success in reporting and articulating the information needed to assess these criteria. In other words, an organization may have successfully met the standards outlined for strong goal setting and impact, but may not have adequately reported the information needed to make this assessment in its public filings. In such a case, the organization would still be evaluated poorly for impact and goal setting; despite having met the standards for exceptional impact, donors are not given ample information to assess and verify this.

2. This list is not comprehensive; examples of common special considerations are provided but factors are considered at the discretion of the evaluator(s). Any point additions (or deductions) made for recommended charities in this section will be explained thoroughly in reporting.

3. Conserve does not evaluate "cost-efficiency" in the context of expense allocation to overhead costs or impact per dollar spent except in certain special or extreme situations. For example, if an organization fundraises its operating costs through separate, recurring private donors, enabling them to reserve all public contributions for charitable expenses, this may be viewed favorably. Conversely, if an organization allocates a vastly disproportionate amount of expenses towards non-program expenses with no apparent reason or rationale, this may be viewed unfavorably.

Note: All evaluations of impact, transparency and quality of reporting, and special considerations as applicable are subject to the judgment and discretion of the evaluator(s). Terms used in various criteria such as "adequate", "sufficient", or "significant" imply that the evaluator(s) must make individual and subjective assessments of proficiency. Although the standard of interpretation used is that of a "reasonable donor" (i.e. "would a reasonable donor determine that the organization has met or exceeded this standard?"), users should independently evaluate such claims. By no means does this evaluation constitute a statement of fact. Helpful resources for further independent research include, but are not limited to, the subject organization's website, the subject organization's Form 990, the subject organization's annual report and audited financial statements, and third-party information and ratings resources such as Guidestar, Charity Navigator, Charity Watch, GiveWell, Impact Matters, ProPublica, BBB Wise Giving Alliance, and others.

Note: This evaluation model is predicated on having the flexibility to adapt to the unique circumstances and considerations of the vast variety nonprofit organizations. Any assessments that deviate from the standards outlined above or that employ unique assumptions or rationale will be clearly explained in reporting.