

# BBB Wise Giving Alliance

Bennett M. Weiner, Chief Operating Officer  
“BBB Charity Effectiveness Project”

ICFO Annual General Meeting  
Waterloo Region / Toronto, Canada

May 14, 2010



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# BBB Charity Reporting

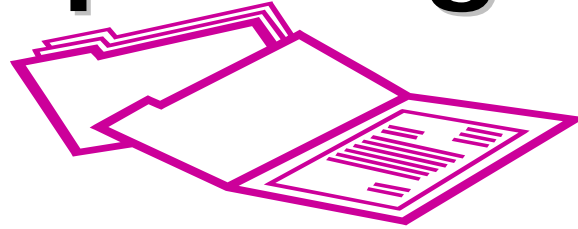
- BBBs reporting on charities started in 1920s
- National BBB Charity Program had various names over the years, now known as:  
**BBB Wise Giving Alliance**
- Objectives:  
To help donors make informed giving decisions & help strengthen accountability among charitable organizations



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# Charity Reporting Activities



- Produce evaluative reports on charities
- Educate donors on wise giving practices
- BBB Wise Giving Alliance – national charities
- About 50% of BBBs report on local charities
- No charge for charity evaluation
- No charge for public access to reports



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# BBB Accredited Charity Seal

- Charity seal began in 2003
- Optional for charities that meet all standards
- License agreement & seal fee



[bbb.org/charity](http://bbb.org/charity)



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# **Standards for Charity Accountability**

**20 Voluntary Standards Addressing:**

- **Governance and Oversight**
- **Measuring Effectiveness**
- **Finances**
- **Fund Raising & Informational Materials**



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# Standards for Charity Accountability

- Remainder of presentation will focus on the Charity Effectiveness issue
- Go to [www.bbb.org/charity](http://www.bbb.org/charity) for complete text of Standards & to access Implementation Guide



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# **2001 Public Survey: On Charity Accountability**

- **17-Member Standards Review Panel guided BBB WGA in 2003 revision of Charity Standards.**
- **Commissioned a major survey firm to conduct 2001 telephone survey on charity accountability issues. Over 2,000 interviews completed.**



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## 2001 Public Survey: Included a Question on Charity Effectiveness

Please tell me, in general, how important [is] the following...in deciding whether [a charity] deserve[s] your support:

**How successful the charity's programs have been in achieving their purpose or mission?**

- **70% Very Important**
- **24% Somewhat Important**
- **3% Not Too Important**
- **2% Not At All Important**
- **1% Don't Know / Refused to Answer**



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# **BBB Charity Standards: Addressing Charity Effectiveness**

- **Standards Review Panel recognized BBB Standards should address charity effectiveness.**
- **But field of charity effectiveness assessment relatively new in 2001. Many different approaches advocated or used.**



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# **BBB Charity Standards: Addressing Charity Effectiveness**

- **After much deliberation and input from charities, Standards Review Panel recommended including the following two standards that were included in revision released in 2003.**



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# Measuring Effectiveness



- **Standard 6**: Have a **Board Policy** of assessing, no less than every 2 years, the organization's performance and effectiveness and of determining future actions to achieve its mission.



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# Measuring Effectiveness



- **Standard 7**: Submit to the organization's governing body, for its approval, a **Written Report** that outlines the results of the aforementioned performance and effectiveness assessment and recommendations for future actions.



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# Measuring Effectiveness



- **These 2 Standards leave to each charity and its governing body the particulars of its own effectiveness evaluation process.**
- **Due to diversity of charity sector, a single measure of effectiveness unlikely applicable across the board.**



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# Measuring Effectiveness



- **These 2 Standards are currently among the top five reasons a national charity does not meet BBB charity standards.**
- **Once informed, however, most charities take action to address this issue.**



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# **BBB Charity Effectiveness Project**

- **Six years' experience with revised BBB WGA charity standards**
- **Recognition of need for additional guidance**
- **Increased public interest about this issue**
- **BBB Charity Effectiveness Project launched in March 2009**



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# **BBB Charity Effectiveness Project**

- **With funding from William and Flora Hewlett Foundation**
- **BBB WGA organized a 24-member panel. National charity CEOs and other sector representatives.**



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# BBB Charity Effectiveness Project

## Initial Project Goals:

- **Not to create new BBB Charity Standards or change existing ones**
- **To develop recommendations for use by charities of all sizes and types in conducting their assessments**
- **To produce effectiveness information in a format on the BBB WGA website that encourages public attention and use**



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# **BBB Charity Effectiveness Project**

## **BBB Charity Effectiveness Panel:**

- **After deliberations, March 2009 Panel meeting recommended that BBB WGA focus its efforts on developing a format for sharing effectiveness information for external users (i.e., public and others).**



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# BBB Charity Effectiveness Project

- In summer of 2009, Hewlett Foundation encouraged merger of similar projects that were both receiving Hewlett funding at Independent Sector and BBB Wise Giving Alliance.
- In September 2009 IS and BBB projects combined to create a common framework for addressing charity effectiveness or “impact” that would be made available for external users.



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# BBB Charity Effectiveness Project

- Project sought to create an effectiveness reporting model that had several key attributes:
- Public Usefulness
- Elegant Simplicity
- Affordability
- Not Burdensome to Complete



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# BBB Charity Effectiveness Project

- Current draft model in progress asks the charity to complete five core questions:
  1. What are we trying to accomplish?
  2. What are our strategies for getting there?
  3. What are our organization's capabilities for doing this?
  4. How will we know we're making progress?
  5. What have and what haven't we accomplished so far?



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## **BBB Charity Effectiveness Project**

- **IS and BBB continue to refine these core questions and develop guidelines for answering them in a 2 – 3 page external report.**
- **IS and BBB also working with Guidestar. Guidestar to provide IT support for the report database.**



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# BBB Charity Effectiveness Project

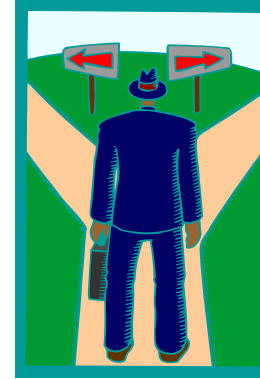
- Draft reporting model has undergone two tests so far
- A third, larger pilot test with about 45 organizations is being conducted at this time
- Project will be completed in 2010



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# BBB Wise Giving Alliance



- **Want More Information?**
- **Visit:**     **[www.bbb.org/charity](http://www.bbb.org/charity)**
- **Email:**    **[bweiner@council.bbb.org](mailto:bweiner@council.bbb.org)**



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