The State of Nonprofit Transparency, 2008

Voluntary Disclosure Practices

GUIDESTAR®

Washington, D.C. ● Williamsburg, Va.

Contents

Foreword

THIS IS THE FIRST ANNUAL REPORT from GuideStar on the state of nonprofit transparency. Our goal is to report on nonprofits' voluntary disclosure practices and to serve as a catalyst to encourage greater sharing of nonprofit information. We believe that sharing relevant and timely information is essential to building and maintaining the public's trust in the nonprofit sector.

GuideStar's work on transparency is inspired by our mission statement: "To revolutionize philanthropy and nonprofit practice by providing information that advances transparency, enables users to make better decisions, and encourages charitable giving." Simply put, we believe that—armed with more information—donors will make better and more confident decisions and nonprofit leaders will operate more effective and efficient organizations, thereby increasing their public service.

We are pleased that GuideStar's long commitment to transparency is shared by others in the nonprofit sector. The Panel on the Nonprofit Sector's *Principles for Good Governance and Ethical Practice* (2007) calls on every charitable organization to "make information about its operations, including its governance, finances, programs and activities, widely available to the public."

Community foundations that meet the National Standards for U.S. Community Foundations have also long embraced the values of operating in an open, transparent, and accountable manner. We recognize these efforts, and other voluntary standard-setting groups that promote nonprofit transparency, for their contributions to the field.

I want to recognize and thank the staff and interns who participated in the work that is presented in this report:

- Dan Moore, GuideStar's vice president of nonprofit programs, has led us in our strategy development in creating the GuideStar Exchange and guided our important partnership with DonorEdge, a consortium of leading community foundations. He is the primary author of this report.

- Karen Rayzor, director of nonprofit outreach, recruited, trained, and supported our team of intern researchers. This report is the fruit of her hard work.

- Our team of intern researchers, all from American Humanics programs in colleges and universities across the country: Tony Bowen, Carleigh McDonald, Jenna Dunlap, and Laura Aylmer. These next-generation nonprofit leaders did the grunt work for this report, surfing the Internet, assessing nonprofit Web sites, and contacting the organizations by e-mail and by phone. To them we owe our thanks and deep appreciation for a job well done.

- Carol Brouwer, research assistant, compiled the research, analyzed the results, and produced the statistics that inform this report. I thank Carol for her skill in carefully tabulating the results and presenting the findings in an accessible format.

- Suzanne Coffman, director of communications, edited the report and helped shape how we present the data in it.

I hope that you will find this report on the state of nonprofit transparency to be of interest and that it will stimulate your thinking about what information is relevant for nonprofits to disclose on the Internet.

But most important, my colleagues and I hope that this report will motivate nonprofit leaders to act, to become more transparent, and to use their own Web sites and sites such as GuideStar to tell the important stories of how their work is making a difference in the lives of those we all serve.

Thank you.

Bob Ottenhoff
President and CEO
GuideStar USA, Inc.

Executive Summary

Findings

First, the good news:

- **A high percentage (93 percent) of nonprofits are embracing the Internet to disclose information about their programs and services.** In addition, nearly three-quarters of the organizations provided the names of the people who serve on their governing boards and the key staff who manage their organizations and oversee the delivery of programs and services.

Now for the rest of our findings:

- **Only 43 percent of the nonprofits surveyed posted their annual reports on their Web sites.** Organizations with higher income levels were more likely to make their annual reports available via the Web.

- **Only 13 percent posted their audited financial statements on their Web sites.** The results of our survey show a reluctance to disclose audited financial statements publically. Although not all nonprofits obtain audits of their financial statements, our survey sample reflects organizations of the size for which an audit is both prudent and a necessary tool for assessing management's financial capabilities and the organization's financial health.

- **Only 3 percent posted their respective IRS letters of determination on their Web sites.** The results of our survey show great reluctance to disclose this basic document authenticating an organization's tax-exempt status, even though every tax-exempt organization is required to make available for public inspection its application for exemption, any supporting documentation, and any letter or document issued by the IRS concerning the application.

GuideStar's Recommendations

We recommend five simple steps that will greatly advance nonprofit transparency.

- **Nonprofits should regularly update their Web sites with current, detailed program and evaluation information.** Access to information regarding strategy, evidence-based evaluation metrics, and the underlying theory of change will enhance the program information that is currently widely available on nonprofit Web sites. This information is the substance of social change and is critical to engaging new Web savvy "investors" in their cause.

- **In addition to posting board members' and key staff's names and titles, nonprofits should post brief biographic information for these important leaders.** The biographies should highlight the skills and contributions that these individuals provide to the organization; these are the people who are leading the change that affects the quality of life where we live, work, play, and worship.

- **Every nonprofit that produces an annual report should post the report on its Web site.** Although there is no legal requirement for a nonprofit to produce an annual report, many do.

- **Every nonprofit that has an audited financial statement should post it on its Web site.** Although federal regulations do not require tax-exempt entities to obtain audits and state audit requirements vary, disclosure of an audit is a common practice for those nonprofits seeking grants from private foundations and government funders.

- **Every nonprofit that has an IRS letter of determination should post it on its Web site.** The results of our survey show great reluctance to disclose this basic document authenticating an organization's tax status. As noted above, the letter of determination is a public document. As is true with audited financial statements, disclosure of the letter of determination is a common practice for nonprofits seeking grants from private foundations.

We have launched the GuideStar Exchange as a new program for nonprofits that want to share

more up-to-date information about their missions, leaders, programs, and accomplishments. We intend to recognize the organizations that embrace voluntary transparency with a seal that highlights their commitment to operating in an open and accountable way.

The GuideStar Exchange is open to all nonprofits that are willing to embrace greater transparency. In exchange for keeping an up-to-date report at GuideStar, we will provide complimentary access to GuideStar Premium, our most robust and user-friendly search and reporting tool. For more information, go to www.guidestar.org.

GUIDESTAR BETA

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Welcome Suzanne Coffman!   Analyze Nonprofit Data   Give to Charity   Update Nonprofit Report

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Update Nonprofit Report

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About the GuideStar Exchange

The GuideStar Exchange is an initiative designed to connect nonprofits with current and potential supporters. With Millions of people coming to GuideStar to learn more about nonprofit organizations, the GuideStar Exchange allows nonprofits to share a wealth of up-to-date information with GuideStar's vast on-line audience of grantmakers and individual donors.

Exchange members are nonprofits that have updated their nonprofit report to the fullest —sharing information, documentation, photos and video with GuideStar's site visitors. Here is a list of some of required information for Exchange participation:

- Staff and volunteer facts
- Key documents
- Descriptions of programs
- Senior management and board information
- Operating practices

See the full list of required information for GuideStar Exchange participation >

The Benefits of Joining the Exchange

Once your organization's nonprofit report has been updated with required Exchange information and the information has been approved by GuideStar, your organization will receive **GuideStar Premium** free for one year (a $1,000 value). In addition, the **GuideStar Exchange** seal (as seen to the right) is displayed on Exchange member's report pages.

GuideStar Exchange Eligibility

All nonprofits registered with the IRS may join the Exchange free of charge.

Religious organizations may also join the Exchange. Learn more >

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[−] FEEDBACK

GuideStar's Role in Advancing Transparency

GUIDESTAR IS A MISSION-DRIVEN nonprofit organization. We are dedicated to "revolutionizing philanthropy and nonprofit practice by providing information that advances transparency, enables users to make better decisions, and encourages charitable giving." This report examines the voluntary disclosure practices of nearly 2,000 nonprofit organizations as documented by our research interns during the summer of 2008.

GuideStar is a pioneer in advancing nonprofit transparency; in fact, GuideStar was founded in 1994 to provide a central, unbiased source of information on the nation's charities. In July 1996, GuideStar released the *Directory of American Charities*. That fall, we put the *Directory* on-line when we launched our Web site, www.guidestar.org.

Three years later, in October 1999, GuideStar began posting IRS Forms 990 for all public charities. In March 2000, we added private

foundation returns to our database. Then in June 2005, we added all other tax-exempt organizations, and their Forms 990, to our site.

Taking a public document and making it available to the public via the Internet "changed the face of philanthropy." These words are not GuideStar's but those of Steven Miller, then director of Exempt Organizations at the Internal Revenue Service and now an IRS assistant commissioner, when he spoke at an American Bar Association gathering in 2003.

In the early days of posting the 990s, GuideStar received angry calls and sometimes threatening letters demanding that we take down "private tax returns." These days, nonprofits are more likely to call to find out when their most recently filed Forms 990 will appear on GuideStar and to ask how they can update their nonprofit reports on the GuideStar Web site. This example highlights a sea change in attitudes about and practices in nonprofit transparency.

Definition and Importance of Nonprofit Transparency

WHAT EXACTLY DOES *nonprofit transparency* mean? And why should we care?

Ann Florini, a preeminent scholar at the Brookings Institution, defines transparency as "the release of information that is relevant to evaluating those institutions." Transparency is closely linked with accountability, as the release of relevant information helps institutions hold themselves accountable for their performance.

> TRANSPARENCY: The release of information that is relevant to evaluating ... institutions.
>
> —*Ann Florini, Brookings Institution*

These days we hear calls for greater transparency in all areas of society. In business, the public demands more transparency to improve the regulation of financial markets. In government, constituents petition for more transparency about contracts, earmarks, and lobbying activity. In education, parents, educators, and government officials advocate more transparency for measures of students' progress and the competence of teachers and schools. Name a problem, and you are likely to find calls for the release of relevant information that will allow people to assess whether the problem is improving or getting worse—in other words, greater transparency.

Calls for more nonprofit transparency are, therefore, not unique. They are also no less urgent. Nonprofit organizations have a social compact to fulfill. Exemption from taxation and, in many cases, the ability to receive tax-deductible contributions create an obligation for nonprofits to be accountable to the public. Being transparent with relevant information is how nonprofits demonstrate that accountability.

At the same time, nonprofits remain private institutions. Although nonprofits are dedicated to serving the public good, the organizations' private and voluntary nature must be understood, valued, and protected.

> Being transparent with relevant information is how nonprofits demonstrate ... accountability.
>
> —*GuideStar*

GuideStar's Call for More Meaningful Nonprofit Transparency

THIS REPORT DOCUMENTS the disclosure practices nonprofits have widely adopted. It also points out where further progress can be made.

GuideStar's call for more meaningful nonprofit transparency balances the release of relevant information against voluntary institutions' private nature. We recognize and respect the tension that these two elements create. Nevertheless, we believe that more transparency is needed to create and maintain public trust in the sector.

Disclosure of information on the Internet is fundamental to our call for greater nonprofit transparency. Our experience has shown us that posting information on the Internet is **the necessary step** for making that information accessible to the public. Releasing documents only upon request often acts as an impediment to disclosure and frustrates meaningful transparency.

Our recommendations for more meaningful nonprofit transparency are not a call for more government regulation but instead for voluntary action by the nonprofit sector.

GuideStar believes that, rather than enacting or implementing more regulation, state and federal governments should expand efforts to make the nonprofit information they gather and maintain available in electronic formats via the Internet. The IRS, leading state charity regulators, and government funders at the state and federal levels are making progress in this area. We urge, however, that state and federal officials take further steps to make nonprofit information warehoused in their agencies more accessible to the public.

Nonprofits should embrace more meaningful nonprofit transparency not as a prophylactic

> Posting information on the Internet is **the necessary step** for making that information accessible to the public.
>
> —*GuideStar*

against more government regulation but as a response to the demands of a marketplace of engaged donors. Recent studies show that an increasing number of donors are going on-line to research their giving decisions. Many nonprofits have responded by providing easy access to relevant information on their Web sites and on trusted third-party sites, such as GuideStar.

There is more for them to do, however. GuideStar recommends five specific steps that will greatly enhance nonprofit transparency:

- **Nonprofits should regularly update their Web sites with current, detailed program and evaluation information.** Access to information regarding strategy, evidence-based evaluation metrics, and the underlying theory of change will enhance the program information that is currently widely available on nonprofit Web sites. This information is the substance of social change and is critical to engaging new Web savvy "investors" in their cause.

- **In addition to posting board members' and key staff's names and titles, nonprofits should post brief biographic information for these important leaders.** The biographies should highlight the skills and contributions that these individuals provide to the organization; these are the people who are leading the change that affects the quality of life where we live, work, play, and worship.

- **Every nonprofit that produces an annual report should post the report on its Web site.** Although there is no legal requirement for a nonprofit to produce an annual report, many do.

- **Every nonprofit that has an audited financial statement should post it on its Web site.** Although federal regulations do not require tax-exempt entities to obtain audits and state audit requirements vary, disclosure of an audit is a common practice for those nonprofits seeking grants from private foundations and government funders.

- **Every nonprofit that has an IRS letter of determination should post it on its Web site.** The results of our survey show great reluctance to disclose this basic document authenticating an organization's tax status. As noted above, the letter of determination is a public document. As is true with audited financial statements, disclosure of the letter of determination is a common practice for nonprofits seeking grants from private foundations.

Survey Strategy and Analysis

Overview

From June to August 2008, four student interns conducted a survey of 1,837 nonprofit organizations' Web sites. The organizations were selected from a list of nonprofits viewed most frequently on the GuideStar Web site that also had shared information with GuideStar in the past but whose GuideStar reports had been updated more than 12 months before the beginning of this project.

The interns searched each Web site for: information on the nonprofit's programs and services; a list of the board members who govern the organization; a list of key staff members who manage the organization and deliver programs and services; an annual report; audited financial statement(s); the organization's IRS letter of determination; and a privacy policy.

The interns also contacted each nonprofit by e-mail or phone and asked 13 questions relating to the availability of information on the organization's Web site and the nonprofit's willingness to share the requested information with GuideStar.

The resulting survey data were grouped on the basis of organizations having or not having a Web site. A total of 1,769 (96 percent) had Web sites. Sixty-eight (4 percent) had no Web site or had one that would not load.

Analysis of Web Site Contents

The majority (93 percent) of the 1,769 organizations with an Internet presence did display the most basic information about their organizations on-line. Information describing the programs and services the nonprofit offered was almost universally available, and board and staff member listings were available about 70 percent of the time.

More detailed information was much less likely to be available on-line. Only 43 percent of organizations made their annual reports available, and an even smaller number, 13 percent, made their financial audits available. The IRS letter of determination was rarely found on-line; only 3 percent of the Web-enabled organizations posted them. Nearly 40 percent, however, posted their own privacy policies or linked to a giving portal (on-line donation site), such as Network for Good or PayPal, that displayed one. A very small percentage of organizations indicated that these materials were available upon request.

Percentage and Number of Web Sites with the Specified Item

Actual number of responses shown in gray columns

	Yes		No		Available Off-line	
Program Information	93%	1,649	7%	120	0%	0
Board List	73%	1,288	27%	479	<1%	2
Staff List	70%	1,230	30%	539	0%	0
IRS Letter of Determination	3%	48	96%	1,705	1%	16
Annual Report	43%	769	56%	990	1%	10
Audited Financial Statement	13%	232	84%	1,492	3%	45
Privacy Policy	37%	657	62%	1,090	1%	22

Presence of Selected Documents On-line, by Organization Income Range

Actual number of responses shown in gray columns

Web Site Element		Income (in Millions)							
		< $1		$1 to $5		$5 to $10		> $10	
Program Information	Yes	91.9%	306	93.3%	346	94.2%	226	94.8%	705
	No	8.1%	27	6.7%	25	5.8%	14	5.2%	39
Board List	Yes	70.0%	233	77.9%	289	77.1%	185	72.8%	542
	No	30.0%	100	22.1%	82	22.1%	53	27.2%	202
Staff List	Yes	65.8%	219	73.3%	272	75.8%	182	68.4%	509
	No	34.2%	114	26.7%	99	24.2%	58	31.6%	235
IRS Letter of Determination	Yes	3.3%	11	2.7%	10	1.7%	4	2.3%	17
	No	95.8%	319	96.5%	358	97.5%	234	96.6%	719
Annual Report	Yes	31.5%	105	38.5%	143	44.2%	106	53.1%	395
	No	68.2%	227	61.2%	227	54.6%	131	46.2%	344
Audited Financial Statement	Yes	12.3%	41	8.6%	32	10.8%	26	16.7%	124
	No	85.9%	286	88.7%	329	85.0%	204	80.8%	601
Privacy Policy	Yes	36.6%	122	31.8%	118	35.0%	84	43.0%	320
	No	62.2%	207	67.4%	250	64.2%	154	55.2%	411

Items available off-line accounted for less than 2% and are omitted.

The table above provides more detail by showing the income level of the nonprofits with each Web site element. Organizations with greater incomes were slightly more likely to post their annual reports, audits, and privacy policies. Organizations with lower incomes were somewhat more likely to post their respective IRS letters of determination.

In most cases, the type of organization did not appear to have much influence on the availability of information. International and foreign affairs organizations were by and large the most forthcoming, and arts and education organizations were less likely to make more detailed information available on their Web sites.

Presence of Web Site Elements by NTEE Major Group*

Actual number of responses shown in gray columns

NTEE Major Group	Program Information		Board List		Staff List		IRS LOD		Annual Report		Audit		Privacy Policy	
I. Arts, Culture, and Humanities—A	96.3%	158	73.2%	120	80.5%	132	1.9%	3	25.0%	41	4.4%	7	37.7%	61
II. Education—B	86.2%	144	60.5%	101	66.5%	111	1.8%	3	27.1%	45	9.1%	15	21.1%	35
III. Environment and Animals—C, D	95.9%	118	69.1%	85	65.9%	81	2.5%	3	47.2%	58	10.2%	12	39.2%	47
IV. Health—E, F, G, H	95.5%	257	75.8%	204	64.7%	174	3.0%	8	55.6%	149	16.0%	42	47.7%	126
V. Human Services—I, J, K, L, M, N, O, P	94.7%	572	75.0%	452	70.0%	423	1.7%	10	46.3%	278	10.1%	60	37.8%	226
VI. International, Foreign Affairs—Q	94.6%	87	78.3%	72	75.0%	69	3.3%	3	57.3%	51	26.4%	23	47.2%	42
VII. Public, Societal Benefit—R, S, T, U, V, W	90.5%	220	77.8%	189	73.3%	178	5.4%	13	47.5%	115	23.8%	57	33.9%	82
VIII. Religion Related—X	94.4%	34	66.7%	24	58.3%	21	5.7%	2	33.3%	12	23.5%	8	58.3%	21
IX. Mutual/Membership Benefit—Y	0.0%	0	100.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
X. Unknown, Unclassified—Z	100.0%	10	60.0%	6	70.0%	7	0.0%	0	30.0%	3	0.0%	0	10.0%	1

*See Appendix A for a brief description of the NTEE coding system.

Willingness to Post Documents via GuideStar Web Site

Actual number of responses shown in gray columns

	Yes		No		Maybe		Total Responses
IRS Letter of Determination	78.8%	93	15.3%	18	5.9%	7	118
Annual Report	96.4%	270	2.5%	7	1.1%	3	280
Audited Financial Statement	88.9%	169	5.3%	10	5.8%	11	190

Analysis of Survey Responses

Of the 1,769 organizations that had a Web site, 20 percent responded to one or more survey questions. From the non-Web site group, only 1 organization responded to the survey questions, saying they would share only their letter of determination with GuideStar.

A total of 336 organizations with a Web site indicated a willingness to share at least one of three key documents with the public via GuideStar.

Characterization of Organizations in the Study

Organization Type

The IRS compiles and updates monthly a file called the Business Master File, or BMF, which lists basic information on all tax-exempt organizations. Based on the IRS BMF foundation and subsection codes, more than 99 percent of the nonprofits in this sample are public charities, as opposed to private foundations. Only four organizations are foundations, and all of them have Web sites.

Duration of Tax-Exempt Status

Based on IRS ruling year (the year in which the IRS granted an organization tax-exempt status), the average length of tax exemption of the organizations in this study is 46 years for charities with a Web site and 39 years for those without one.

Location

The geographic distribution of the organizations in the survey is shown below; this distribution shows a fair degree of similarity to that of all nonprofits listed in the IRS BMF.

State	# Orgs	% Total
CA	231	12.6%
NY	157	8.5%
DC	131	7.1%
MA	126	6.9%
IL	100	5.4%
VA	92	5.0%
TX	90	4.9%
PA	85	4.6%
FL	80	4.4%
OH	54	2.9%
CO	53	2.9%
MN	50	2.7%
NJ	47	2.6%
WA	47	2.6%
TN	45	2.4%
MD	44	2.4%
NC	38	2.1%
MI	35	1.9%

State	# Orgs	% Total
GA	33	1.8%
MO	32	1.7%
IN	29	1.6%
AZ	26	1.4%
OR	26	1.4%
WI	17	0.9%
OK	16	0.9%
SC	14	0.8%
RI	12	0.7%
AL	11	0.6%
LA	11	0.6%
KS	10	0.5%
NH	10	0.5%
KY	9	0.5%
NE	8	0.4%
UT	7	0.4%
VT	7	0.4%

State	# Orgs	% Total
CT	6	0.3%
DE	6	0.3%
AR	5	0.3%
ME	5	0.3%
MT	5	0.3%
NM	5	0.3%
NV	5	0.3%
IA	4	0.2%
HI	2	0.1%
ID	2	0.1%
MS	2	0.1%
ND	2	0.1%
BLANK	1	0.1%
AK	1	0.1%
SD	1	0.1%
WV	1	0.1%
WY	1	0.1%

Subject Area

The National Taxonomy of Exempt Entities, or NTEE, is a system the IRS uses to classify a nonprofit organization according to its main function or purpose. The NTEE classification system divides nonprofit organizations into 10 major groups (see Appendix A). In this survey sample, there was at least one organization in each major group.

The chart below shows the proportion of organizations with and without Web sites for each NTEE group. A surprisingly high percentage of organizations from the education sector are present

Website presence by NTEE code

- has website
- no website

I. Arts, Culture, and Humanities - A
II. Education - B
III. Environment and Animals - C, D
IV. Health - E, F, G, H
V. Human Services - I, J, K, L, M, N, O, P
VI. International, Foreign Affairs - Q
VII. Public, Societal Benefit - R, S, T, U, V, W
VIII. Religion Related - X
IX. Mutual/Membership Benefit - Y
X. Unknown, Unclassified - Z
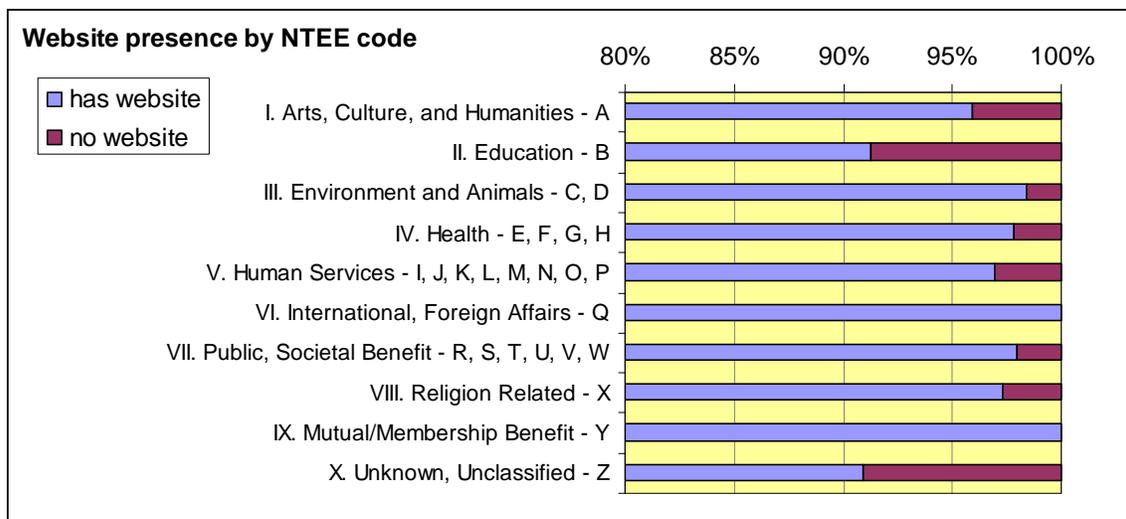
in the non-Web site group. It appears that this finding may have been a result of research errors. Note also that the sample size is very small for groups IX and X, so not much can be inferred from their graphs.

Organization Size

The organizations were grouped into four ranges by income, and a percentage for each range was calculated based on the total number of organizations.

It seems reasonable that organizations with limited resources would be less likely to invest in a Web site. It seems a bit unusual, however, that almost 4 percent of the charities in this study having incomes greater than $10 million would not have any presence on the Internet.

Organizations with Web Sites, by Income Range

Actual number of responses shown in gray columns

Income (in Millions)	Has Web Site		No Web Site	
< $1	96.5%	333	3.5%	12
$1 to $5	97.6%	371	2.4%	9
$5 to $10	99.2%	240	0.8%	2
> $10	96.5%	744	3.5%	27

Appendix A. National Taxonomy of Exempt Entities (NTEE) Codes

THE NTEE-CC CLASSIFICATION system divides the universe of nonprofit organizations into 26 major groups under 10 broad categories:

Major Group

I.   Arts, Culture, and Humanities—A
II.   Education—B
III.   Environment and Animals—C, D
IV.   Health—E, F, G, H
V.   Human Services—I, J, K, L, M, N, O, P
VI.   International, Foreign Affairs—Q
VII.   Public, Societal Benefit–R, S, T, U, V, W
VIII.   Religion Related—X
IX.   Mutual/Membership Benefit—Y
X.   Unknown, Unclassified—Z

Within the major groups, organizations are broken down according to logical divisions (decile level codes) and subdivisions (centile level codes). Organizations that exist across all or most of the 26 major groups are treated separately and are given what is known as "common codes."

Major Groups (1st Digit)—Alphabetic

Decile Codes (2nd Digit)—Numeric

Centile Codes (3rd Digit)—Usually numeric, but a few letters are used if the number of categories exceeds 10.

Common Codes (2nd-4th Digit)—Numeric

NTEE Major Group (first character)

Code	Description
A	Arts, Culture, and Humanities
B	Educational Institutions and Related Activities
C	Environmental Quality, Protection, and Beautification
D	Animal-Related
E	Health—General and Rehabilitative
F	Mental Health, Crisis Intervention
G	Diseases, Disorders, Medical Disciplines
H	Medical Research
I	Crime, Legal-Related
J	Employment, Job-Related
K	Food, Agriculture, and Nutrition
L	Housing, Shelter
M	Public Safety, Disaster Preparedness, and Relief
N	Recreation, Sports, Leisure, Athletics
O	Youth Development
P	Human Services—Multipurpose and Other
Q	International, Foreign Affairs, and National Security
R	Civil Rights, Social Action, Advocacy
S	Community Improvement, Capacity Building
T	Philanthropy, Voluntarism, and Grantmaking Foundations
U	Science and Technology Research Institutes, Services
V	Social Science Research Institutes, Services
W	Public, Society Benefit—Multipurpose and Other
X	Religion-Related, Spiritual Development
Y	Mutual/Membership Benefit Organizations, Other

Appendix B. GuideStar's Nonprofit Programs

GuideStar Exchange

The GuideStar Exchange is the cornerstone of our nonprofit programs. It is an initiative designed to connect nonprofits with current and potential supporters. The GuideStar Exchange allows nonprofits to reach out to the millions of people who come to GuideStar or to one of our partner sites to learn more about nonprofit organizations. Through the GuideStar Exchange, nonprofits share a wealth of up-to-date information with GuideStar's vast on-line audience of grantmakers and individual donors.

Exchange members are nonprofits that have updated their nonprofit reports to the fullest—sharing relevant information with GuideStar's site visitors and through GuideStar's partner sites. See page 16 for a list of some of the information required for Exchange participation.

Forum of Nonprofit Advisors

Our Forum of Nonprofit Advisors is a group of nonprofit GuideStar users who share their opinions on GuideStar features, tools, and policies. Forum members participate in an on-line, Web-based discussion group that is limited to those who have been invited to participate.

GuideStar staff members actively engage with the Forum and rely on it to facilitate the exploration of many topics. We look for answers to some narrowly framed, short-term questions that can help our managers and engineers make decisions in the course of upgrades and new initiatives. We also seek the Forum's input on a longer-term vision of how to make GuideStar useful and relevant to our nonprofit users and their work. The door is open to input of any kind.

Topics on which our advisors have helped us so far include:

- How can we make the GuideStar Exchange accessible to smaller organizations?

- What sort of incentives would be appropriate to offer to organizations that take the time to add information to their reports on GuideStar?

- What thresholds make sense for requiring a full-blown financial audit, and what substitutes are acceptable for organizations below those thresholds?

Additionally, we sometimes conduct surveys regarding particular discussion threads. Recently, we surveyed Forum members regarding the "Incentives—what works for you" thread.

E-mail advice@guidestar.org to request to join the Forum.

Edu@GuideStar

Connecting Higher Education with Nonprofit Information

More than 600 academic institutions offer degree programs and individual courses specifically on the nonprofit sector. This number increases every year as more colleges and universities recognize the importance of preparing leaders to manage the billions of dollars in goods and services that nonprofits provide to citizens all over the world. As the leading provider of nonprofit information, GuideStar has become an invaluable tool to thousands of students, faculty, and academic researchers, who together make up the largest population currently accessing the GuideStar database.

GuideStar offers tools for sophisticated nonprofit research and analysis. Whereas these tools are offered on a subscription basis to business users, we recognize that we must ensure accessibility and affordability to those strengthening the nonprofit sector through education.

Edu@GuideStar—Connecting Higher Education with Nonprofit Information—offers access to our highest level of service, GuideStar Premium, for classes and academic researchers at no cost, for the duration of their course or research projects. In 2008, more than 700 professors and instructors from more than 400 colleges and universities worldwide subscribed to Edu@GuideStar.

Nonprofit Report Checklist

This checklist shows the scope of information you will need to provide to create a basic GuideStar nonprofit report, as well as information required to be listed on the GuideStar Exchange. Once you are ready to update your report, log in and follow the instructions found here. For your convenience, you can stop and restart the updating process at any time.

Information	Core Information for a Basic Nonprofit Report	GuideStar Exchange Required Fields
Employer Identification Number (EIN)	✔	✔
Primary Contact Name and E-mail (for GuideStar's use only)	✔	✔
Geographic Areas Served	✔	✔
Number of Staff and Volunteers		✔
Mission Statement	✔	✔
Key Documents: • Annual Report(s) • Financial Statement(s) • Auditing Company • Did an auditor give an unqualified opinion? • Does the CEO/CFO sign off on all financial documents?		✔
Programs: • Name • Description • Population Served • Examples of Success	✔	✔
Programs: • Budget • Category		✔
CEO/Executive Director Name	✔	✔
CEO/Executive Director Term and E-mail		✔
Governing Board Members: • Names • Company Affiliation • Voting Status • Board Chair	✔	✔
Senior Management Team Members Names and Titles		✔
Policies: • Whistle Blowers • Document Destruction • Nondiscrimination		✔
Keywords to help users find your organization in GuideStar	✔	✔
Has your organization reviewed the Panel on the Nonprofit Sector's *Principles for Good Governance and Ethical Practice*?	✔	✔

[+] FEEDBACK

[−] FEEDBACK

Appendix C. GuideStar Internships and GuideStar's Affiliation with American Humanics

GUIDESTAR HAS A GROWING internship program. A copy of the position description for the interns who contributed to this report is shown below.

Position Description for GuideStar Interns

Title: Research Assistant

Primary Purpose: Researching information on nonprofits throughout the U.S., and reaching out to them to confirm and to gather essential documents for the GuideStar Exchange Program.

What's in It for You? Opportunity to make contact and develop a network with senior staff of hundreds of the nation's top nonprofits. Travel to Washington, D.C., for orientation (expenses paid). Shared authorship of a white paper analyzing the research compiled on the transparency of nonprofits' Web sites.

Reports to: Director, Nonprofit Outreach, Karen Rayzor, krayzor@guidestar.org

Locations: Remote Locations (work from your campus or home)

Responsibilities:
Research information on leading nonprofits in the United States

- Identify the person responsible for communications within each nonprofit

- Contact the nonprofits' communications or development directors and inform them that their nonprofit is one of the top viewed organizations on GuideStar

- Communicate the features and benefits of the GuideStar Exchange program

- Confirm with the representative from the nonprofit that the researched information is correct

- Provide the nonprofit contact with statistics demonstrating that foundations and donors use GuideStar for grantmaking and giving due diligence

- Request permission to upload each organization's IRS determination letter and audited financial statement

- Update the GuideStar Exchange Forms for top viewed nonprofits and post to the GuideStar Web site

Working Relationships:

INTERNALLY: Vice President of Nonprofit Programs, Director of Nonprofit Outreach, fellow research assistants, Nonprofit Support staff, Marketing and Communications staff

EXTERNALLY: Nonprofit staff: senior staff, communications directors, development directors

Qualifications:

- Success in this role requires a combination of familiarity of the nonprofit sector, detail-oriented technical expertise, general business process perspective, savvy communication skills, and initiative.

To apply for a GuideStar Internship, contact Karen Rayzor at krayzor@guidestar.org.

GuideStar's Affiliation with American Humanics

Through affiliations with more than 65 colleges and universities, American Humanics educates, prepares, and certifies professionals to strengthen and lead the nonprofit sector. GuideStar is a supporting nonprofit partner of American Humanics, providing internship opportunities to several American Humanics NextGen students. Through their internships with GuideStar, interns meet the following American Humanics competencies: Public Relations, Information Management & Technology, Nonprofit Accounting & Financial Management, and Communication Skills.

Appendix D. Contributors to the Report

American Humanics Intern Researchers

Laura Aylmer—Laura Aylmer is a senior at High Point University. She is completing her undergraduate degree in human relations with a concentration in nonprofit studies and plans on pursuing a master's degree in human services. She has interned with the American Friends Services Committee and is currently the undergraduate assistant for the Nonprofit Leadership Enhancement Program at High Point University. Her career interest is grassroots community organizing.

Anthony Bowen—Tony Bowen is a senior at William Jewell College, where he is studying nonprofit leadership and business administration. Before starting research for GuideStar, he completed five nonprofit internships, including those at the Cape Cod Foundation, Greater Kansas City Community Foundation, and Francis Family Foundation. He hopes to become a professional grantmaker working in the areas of youth development, civil rights, or arts and culture. When not busy at school or at internships, Tony enjoys photography and cheering for his hometown Boston sports teams.

Jenna Dunlap—Jenna Dunlap is currently a senior at Western Illinois University and will graduate this May with a B.A. in communications and a minor in American Humanics. During the summer of 2008, she interned with GuideStar and with Upward Bound, working with low-income, first-generation, college-bound students. Jenna currently is a research assistant for GuideStar and is working as a tutor to Upward Bound students on her days off from college.

Carleigh McDonald—Carleigh McDonald is a senior at the University of San Diego, graduating with honors as an international communications and American Humanics/leadership major. She has served as the American Humanics chapter president, co-founded USD students for peace, served as college director for Best Buddies International, worked with Community Catalyst as a case manager for the mentally disabled, and interned with Boy Scouts of America: Learning for Life. She also has a passion for traveling, having just returned from studying at Oxford University and circumnavigating the world with Semester at Sea.

GuideStar Staff

Carol Brouwer—Carol was the data analyst for this project. She was hired by GuideStar in June 2006 as a research assistant. She has a B.A. in Earth & Space Science, with additional courses in statistics, SQL, Access, and Excel. She reports to the vice president, research.

Suzanne Coffman—Suzanne copyedited the report. Suzanne is GuideStar's director of communications. She acts as GuideStar's primary media liaison, editor of GuideStar's monthly e-newsletter, and corporate copyeditor.

Dan Moore—Dan is GuideStar's vice president, nonprofit programs. Throughout his career, Dan has worked to improve the exchange of information between nonprofits and the public and has used technology to accomplish this vital goal. As the chief charity regulator for the state of New Mexico, he advanced the cause of nonprofit transparency by bringing nonprofit information on-line through a partnership with GuideStar. While serving as president of the National Association of State Charity Officials (NASCO), he led the development and launch of the NASCO Web site, www.nasconet.org. Dan joined GuideStar in 2003 and today heads the team that manages GuideStar's relationships with the individual nonprofits that make up the GuideStar database. A

nationally recognized expert on nonprofit accountability, he is also a passionate advocate for nonprofit transparency.

Karen Rayzor— Karen trained and supervised the American Humanics interns who contributed to this report. Karen is GuideStar's director of nonprofit outreach. She is responsible for building and managing relationships with nonprofits, academic institutions, and nonprofit associations and resource centers. To promote GuideStar to institutions of higher learning and to provide future nonprofit leaders with nonprofit information, she manages GuideStar's Edu@GuideStar program and GuideStar's affiliation with the NextGen program at American Humanics.