

# A Donor Guide to Understanding Nonprofit Profiles on Giving Edge



Placer Community Foundation joined GivingEdge to help donors better understand the impact nonprofit organizations are making in Placer County. It is a reliable source of information to make informed choices about your giving. Each nonprofit profile on GivingEdge displays in-depth information about each organization and gives access to many local organizations in one online platform. Visit <http://bigdayofgiving.org/nonprofits> to find an organization, learn about organizations doing work that matters to you, and give online with confidence.

Giving Edge lets us *feel good about our gifts and make informed choice based on good information.*

## How to Interpret a Nonprofit Profile

We applaud the organizations that have taken time to develop profiles in GivingEdge – they have made an investment in public awareness and in organizational transparency. Each nonprofit profile is organized into eight different tabs. You can review a profile in two ways: either quickly to get a brief overview or by going deep, learning more about their programs, governance and finances. The following list of questions and recommended best nonprofit practice will help you review nonprofit profiles carefully and give wisely!

<b>Summary</b>	<p>This section summarizes the organization’s broader goals, its history, region served and their most pressing needs whether it be financial support, volunteers, supplies or other priorities. Look at how its leadership – either the board chair or senior leadership -- describe what makes the organization distinctive or learn why they are passionate about the organization’s purpose. If you want to know the organization’s heart and soul, a story of how it benefits the community or how to best support this organization, this is the section to explore.</p>	<p><b>Questions to Consider</b></p> <ul style="list-style-type: none"> <li>▪ Do your values align with the organization and its purpose?</li> <li>▪ What are the organization’s top five needs for which they are seeking financial support?</li> </ul>
<b>Management</b>	<p>Are you curious about the organization’s senior executive, staff size, volunteer support and other affiliations, accreditations or awards?</p>	<p><b>Questions to Consider</b></p> <ul style="list-style-type: none"> <li>▪ Does the organization have the management, staff and volunteer resources to fulfill its mission?</li> </ul>
<b>Programs</b>	<p><b>Recommended Best Practice</b></p> <p>Programs and mission clearly align.</p> <p>The organization can document short and long term program success. Can display favorable results with measureable performance data.</p>	<p><b>Questions to Consider</b></p> <ul style="list-style-type: none"> <li>▪ Because this organization exists, what needs are being met that otherwise would not be?</li> <li>▪ Do you want to fund programs that provide for immediate needs or create sustainable long term solutions?</li> </ul>

Governance		
<p>Understand who is leading the organization – who is on the board of directors, their professional affiliation and how engaged they are in the organization’s mission.</p>	<p style="text-align: center;"><b>Recommended Best Practice</b></p> <p>Volunteer leadership is showing up for the job – attendance rate is at 67% or more</p> <p>The board of directors makes decisions on what’s best for the organization avoiding possible conflict of interest</p>	<p style="text-align: center;"><b>Questions to Consider</b></p> <ul style="list-style-type: none"> <li>▪ What percentage of the board contributes financially to the organization?</li> <li>▪ Are multiple family members on the board? Does the executive director’s family serve on the board? Are board members also acting as paid staff?</li> </ul>
Financials		
<p>Review the organization’s three year financial history – its operating budgets, key sources of revenue and distribution of expenses across the organization’s key activities: program, administration and fundraising.</p>	<p style="text-align: center;"><b>Recommended Best Practice</b></p> <p>The operating budget – revenue should meet or exceed expenses. Growth in revenue should exceed the rate of inflation.</p> <p>Revenue sources – a balance of three or more types of income is ideal.</p> <p>Administrative and program expense – program expenses represent 75% of the total budget with administrative and fundraising expenses representing the remaining 25%; Under certain circumstances 35% or more spent on fundraising and administration might be justified.</p>	<p style="text-align: center;"><b>Questions to Consider</b></p> <ul style="list-style-type: none"> <li>▪ Do you want to support a large, well-established organization or a small, start-up nonprofit?</li> <li>▪ Does the organization receive funds from diverse sources such as individuals, foundations, government or fees for service?</li> <li>▪ Organization efficiency goes far beyond financial measures of efficiency. Accounting practices differ widely among organizations and other factors – age, size, cash reserves, timing of a grant award, an active capital campaign and access to funding can have a large influence on program and administrative expense and/or revenue.</li> </ul>
Documents		
<p>In this section, a nonprofit can upload important documents such as fundraising appeals, annual reports, etc.</p>		

**Please note:** Information in any nonprofit profile is self-reported, representing a static shot of an organization at one moment in time – for that reason it does not provide a full depth of understanding about an organization’s culture or values that comes from knowing an organization’s leadership or tracking its progress over time. For that reason Placer Community Foundation encourages donors to use this guide as a starting point for further conversation rather than a deciding factor choosing whether to support a particular organization. We encourage you to connect with the organization to learn more. More insight can also be gleaned from the Leadership Statement (under the Summary tab). Finally, we are happy to provide insight in those cases where an organization has received a competitive grant from Placer Community Foundation.