CALL FOR PARTNERSHIP

for the development of a student-based charity rating platform

Summary

Charity Navigator, America's premier independent charity evaluator, has joined forces with Keystone Accountability to develop a major role for university students to inform American giving through an expanded and enhanced Charity Navigator rating system.

This call for partnership is aimed at graduate and select undergraduate courses that cover the management of nonprofit organizations. Students in participating courses would undertake this work as an academic project.

Participating courses will play a major role in the development of the new rating platform prototype, including:
- Applying Charity Navigator's established rating methodology
- Applying and assessing a series of current enhancements to Charity Navigator's rating methodology focusing on accountability/transparency, effectiveness/results.
- Beta testing new web platform capabilities for the publication of Charity Navigator ratings that, among other things, enables greater charity and public scrutiny of rating decisions.

The partnerships will be reviewed each semester for the next 4 semesters, which comprise the two-year R&D phase of the project. University partners – faculty and students – will contribute their time and enjoy educational and career rewards. There are no expected financial costs to partners and funds are not available for the partnerships.

What is the problem?

Total private contributions to charitable organizations were $303.74 billion in 2009 (about 2% of GDP). As in previous years, the majority of those contributions came from individuals--$227.4 billion (75%). Research shows that individual givers overwhelmingly want clear and easy ways to validate their giving choices and, by contrast, do not want to undertake custom research themselves.[1] Charity Navigator (CN) is the leading charity rating agency meeting this giver demand. Building from the largest database of charities reviewed each year, CN publishes ratings based on a zero to four star rating to over 5,500 mid- to large-size US charities. Charity Navigator is the most frequently consulted website by individual givers, with over 3 million unique visits in 2009.

But Charity Navigator has been criticized for a rating system (based exclusively on charities' financial information) that could create perverse incentives for charities that actually make them less effective. In 2009, Charity Navigator began a program to deepen its rating analysis and to increase the number of charities rated on its website. That process took a major step forward in July 2010 with the public launch of the new accountability and transparency dimensions to its rating system. More Charity Navigator rating enhancements are coming with a view to enabling Americans to channel their giving to the most effective charities.

How will students and faculty benefit?

For students interested in careers in the charitable sector, in the public-benefit elements of professions such as law, business, public health, environment, and for those who intend to be the philanthropists of the future, this 2-week learning activity will provide a unique "under the hood" experience of charity rating in theory and practice.

As the project evolves, we expect that there will be considerable opportunities for original faculty research and Charity Navigator welcomes the opportunity to collaborate with faculty research projects.

Why is Charity Navigator opening up its rating model to university students?

Charity Navigator is a public charity that currently offers all the information on its website for free. In order to remain a free source of authoritative information with the ability to deepen its analysis of charities, it seeks partnership with qualified volunteers to generate high quality ratings. Inspired by the example of Wikipedia, Charity Navigator is looking for skilled, highly motivated students to assist with its rating services. This project is testing the hypothesis that university students can rate charities effectively and reliably using the Charity Navigator method as part of their formal course work. As students would undertake this work as an academic, credit-earning activity, this could become a sustainable vehicle for Charity Navigator ratings.

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[1] See, *e.g.*, Hope Consulting's Money for Good report (http://www.hopeconsulting.us/money-for-good/).

What is required of faculty and students?

Faculty will assign and teach the Charity Navigator rating learning module as part of a course in either the fall 2010 or spring 2011 semester, or both. The Charity Navigator Rating learning module involves 2 to 3 hours of reading and 5 to 8 hours of research, discussion, writing and review by students.

The learning module covers the following elements:
- Background reading on the theory and practice of charity rating
- Guidelines to implement the classic Charity Navigator rating criteria – grounded in a financial analysis of nonprofits.
- Guidelines to implement the new Charity Navigator accountability and transparency rating criteria.

Students will work individually and review each other's individual assignments in groups. The ratings are based on public information – each charity's information tax return (Form 990) and its website – but in some cases, students may correspond lightly with the charities that they are rating. Each student will complete three charity ratings plus a written report analyzing the rating experience overall. As this is an experimental pilot intended for possible national replication, the written assignment will review and assess the effort required from the students (and faculty supervisors), and the quality and value of the educational experience from the students' perspective.

What Keystone Accountability and Charity Navigator will do

Keystone and Charity Navigator will:
- Provide the learning module and respond to any questions or issues that the students may have as they undertake the assignment.
- Assess the quality of the student ratings and share their assessments of the progress of the project overall twice a year with all participating faculty.
- Create and support an online learning community for participating faculty and students.
- Collaborate as best they can with faculty-generated research projects stemming from the initiative.

What courses qualify?

We expect most courses selected will be at the graduate level but undergraduate courses with a very strong concentration on nonprofit management may apply. While many courses that apply may come from management, public administration and policy schools, because of the range of charities rated by Charity Navigator, it is desirable to match students and charities in specific disciplines – such as health, education, human services, the arts and humanities, the environment, animal welfare, religiously affiliated charities and many others. Accordingly, courses in professional schools of social welfare, health, education, psychology, law, accountancy, and so on can be matched to charities that specialize in these areas – and are encouraged to apply.

How to apply

Please send an email expressing an interest to apply, what the course covers, and when it is offered to David Bonbright at david@keystoneaccountability.org by 1 September 2010. At that point a short application form will be sent to qualifying courses. David will also be happy to respond to any questions that you might have.

Preference will be given to applicants able to join the project in the upcoming semester, fall 2010, and commit to the full-two year R&D period. Shorter term commitments are also welcome.

Fall 2010 semester timeline

1 September 2010 rating learning module available in draft form for review by faculty
17 September 2010: Fall 2010 semester courses cohort closes
1 October 2010: Charity Navigator rating learning module provided to participating courses
November 2010: Courses apply rating module (11-15 hours spread across the month)
15 December 2010: Assignments due to Charity Navigator and Keystone Accountability

Spring 2011 semester timeline

15 December 2010: Spring 2011 semester courses cohort close
18 February 2011: Charity Navigator rating learning module (revised) provided to participating courses
March-April 2011: Courses apply rating module (11-15 hours spread across the month)
30 April 2011: Assignments due to Charity Navigator and Keystone Accountability

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Charity Navigator, America's premier independent charity evaluator, works to advance a more efficient and responsive philanthropic marketplace by evaluating the financial health of over 5,500 of America's largest charities. *www.charitynavigator.org*

Keystone Accountability offers practical methods of planning, measuring, and communicating social change that privilege the voices of their beneficiaries and other constituents. *www.keystoneaccountability.org*