

Charity Rating Agencies

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Workshop on “Reporting on the difference we make”

9th December 2010

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GuideStar example

http://www.guidestar.org.uk/gs_summary.aspx?CCReg=209259&strquery=variety

Summary | Activities | Organisation | Finances

THE VARIETY CLUB CHILDREN'S CHARITY

Official correspondence address from the Public Register of Charities:
 VARIETY CLUB HOUSE
 93 BAYHAM STREET
 LONDON
 NW1 0AG
Telephone: 02074288100
Email: info@varietyclub.org.uk - opens new browser window
Website: www.varietyclub.org.uk - opens new browser window
Charity number 209259

- Map** - opens new browser window
- Further contact details**
- Trustees' annual report & accounts** - opens new browser window
- Make this charity entry my homepage**

Activities
 Variety Club exists to aid children who are sick, disabled and disadvantaged.

Services

- Makes grants to individuals
- Makes grants to organisations

Charity category

- General Charitable Purposes

Beneficiary group

- Children/Young people
- People with disabilities

- Charitable objects**
- Review of activities**
- Grant making activities**

Financial profile for period ending 31 December 2008

	31 December 2008 £	31 December 2007 £
Total income	10,376,935	9,901,332
Total expenditure	11,544,629	10,278,746

- Financial profile**

Regulatory filing

Financial year end	
Trustees' annual report	Dec 31 2009

Annual return cycle	Date received
Charity Commission annual return	09 September 2010

- Regulatory filing history**

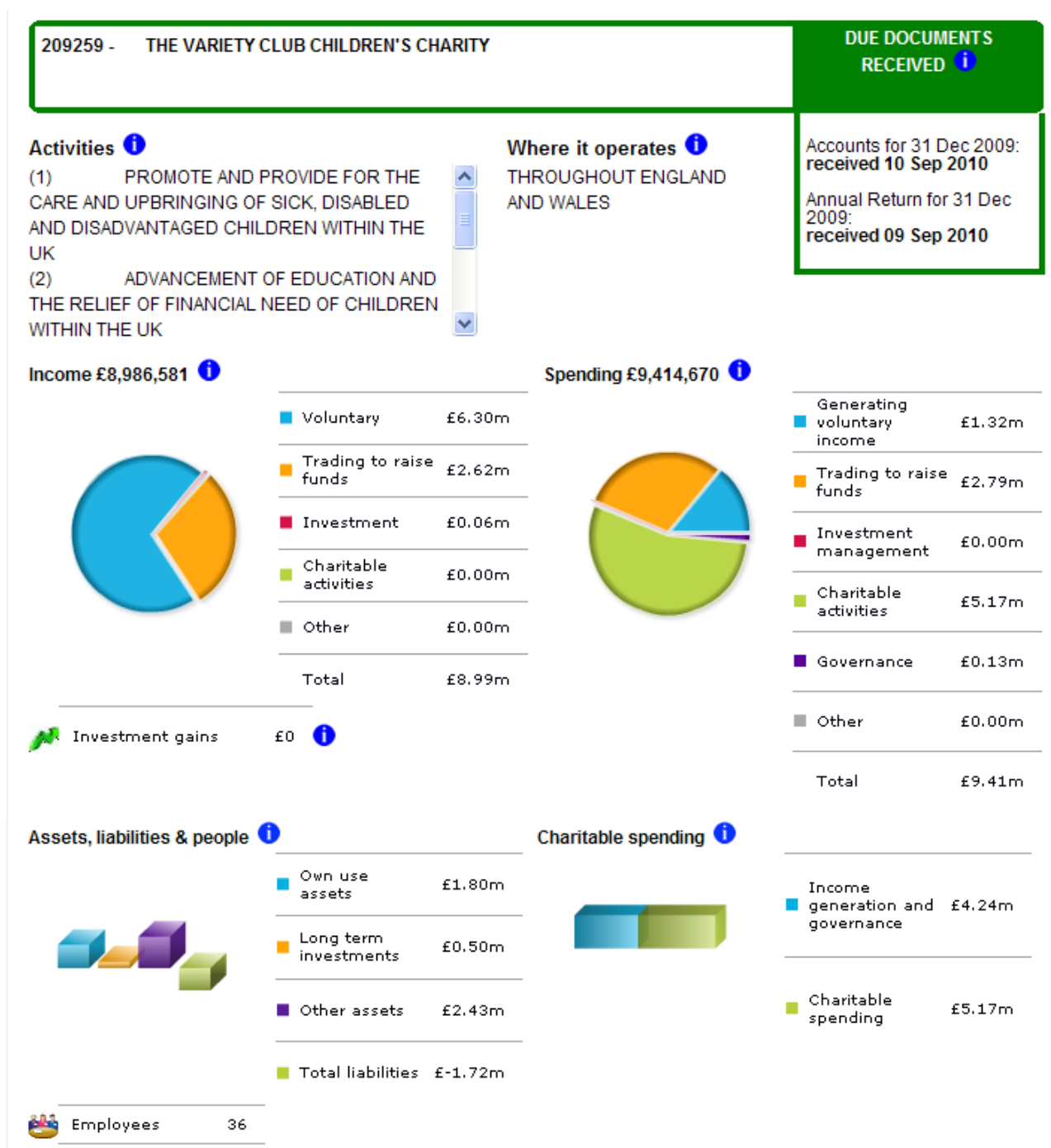
Organisation

Number of trustees:	31
Number of employees:	34

- Trustees**
- Structure & governance**

England and Wales Charity Commission example

<http://www.charity-commission.gov.uk/>



BBB Wise Giving Alliance example

<http://www.bbb.org/charity-reviews/national/children-and-youth/variety---the-childrens-charity-of-the-united-states-in-los-angeles-ca-3629>

BBB Wise Giving Report for
Variety – The Children’s Charity of the United States

BBB Wise Giving Report **issued** September 2009
BBB Wise Giving Report **expires** September 2011

DOES NOT MEET ONE OR MORE STANDARDS
This charity does not meet one or more of the 20 standards for Charity Accountability. [Find out more...](#)

Better Business Bureau Report for
Variety The Children's Charity of St. Louis



Better Business Bureau Report **issued** April 2010
Better Business Bureau Report **expires** April 2011

This BBB Accredited charity meets all 20 Standards for Charity Accountability and is a Seal Holder. [Find out more...](#)

Find out more about this charity:

- | | |
|-----------------------------|--------------|
| Charity Contact Information | Tax Status |
| BBB Wise Giving Alliance | Governance |
| Comments | Fund Raising |
| Programs | Financial |

Charity Contact Information

Name: Variety – The Children’s Charity of the United States

Address: 5757 Wilshire Boulevard,
Suite 445
Los Angeles, CA 90036

Phone: 323-954-0820

Web Address: www.usvariety.org

BBB Wise Giving Alliance Comments

Year, State Incorporated: 1996, Pennsylvania

Affiliates: 23 chapters

Stated Purpose: "to support and encourage U.S. chapters in providing funding and services for programs that strive to improve the quality of life for underprivileged, physical and mentally challenged, ill, abused, neglected and abandoned children."

Evaluation Conclusions

Variety – The Children’s Charity of the United States (Variety) does not meet the following 2

[Standards for Charity Accountability.](#)

Standard 1: Oversight of Operations and Staff - Variety does not meet this Standard because the last assessment of the chief executive officer was done in January, 2007.

Standard 3: Frequency and Attendance of Board Meetings - Variety does not meet the meeting frequency provision of this Standard for meetings held in the past fiscal year because although three meetings were held, these meetings were held via telephone, and not in person.

Variety – The Children’s Charity of the United States (Variety) meets the remaining 18 [Standards for](#)

Programs

Variety provides support to individual chapters by coordinating fund raising events and activities primarily by offering gold heart pins for purchase, setting fiscal and administrative standards, and overall marketing direction. Through Variety's National Mobility Program, local chapters provide children in their communities with prosthetic limbs, walkers, wheelchairs, and specially designed adaptive bikes.

For the fiscal year ended September 30, 2008, Variety's program expenses were:

Total Program Expenses: \$1,136,228

Governance

Chief Executive : Ana LaDou, Chief Executive Officer

Compensation*: \$215,709

Chair of the Board: Jack Foley

Chair's Profession / Business Affiliation: President of Distribution - Focus Features

Board Size: 10

Paid Staff Size: 1

\$215,709	*Compensation in	Fund Raising
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Method(s) Used:

Print advertisements, television appeals, radio appeals, and Internet appeals.

Fund raising costs were 5% of related contributions. (Related contributions, which totalled \$1,130,640, are donations received as a result of fund raising activities.)

print advertise	Fund raising cost	
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Tax Status

This organization is tax-exempt under section 501(c)(3) of the Internal Revenue Code. It is eligible to receive contributions deductible as charitable donations for federal income tax purposes.

This organization

Financial

The following information is based on Variety's audited financial statements for the year ended September, 30 2008.

Source of Funds

Grants and campaign income	846,441
Gold heart pins	284,199
Fred Astaire Dance Studios	25,607
Interest income	17,456
Miscellaneous	5,913
National conference	3,750
Total Income	\$1,183,366

Uses of Funds as a % of Total Expenses

Programs: 86% **Fund Raising:** 4% **Administrative:** 10%

Program expenses	\$1,136,228
Fund raising expenses	56,014
Administrative expenses	136,030

Total expenses	\$1,328,272
Expenses in Excess of Income	(144,906)
Beginning net assets	628,422
Ending net assets	483,516
Total liabilities	364,229
Total assets	\$847,745

Note: Variety's audited financial statements for the fiscal year ended September 30, 2008 report gifts of in-kind income of \$111,200. This amount consists of poster printing (\$49,200), fulfilment and storage (\$27,000), creative design (\$5,000), and shipping (\$3,000).

BBB Wise Giving Alliance 20 Standards

<http://www.bbb.org/us/Charity-Standards/>

GOVERNANCE AND OVERSIGHT

1. A board of directors that provides adequate oversight of the charity's operations and its staff.
2. A board of directors with a minimum of five voting members.
3. A minimum of three evenly spaced meetings per year of the full governing body with a majority in attendance, with face-to-face participation.
4. Not more than one or 10% (whichever is greater) directly or indirectly compensated person(s) serving as voting member(s) of the board. Compensated members shall not serve as the board's chair or treasurer.
5. No transaction(s) in which any board or staff members have material conflicting interests with the charity resulting from any relationship or business affiliation.

MEASURING EFFECTIVENESS

6. Have a board policy of assessing, no less than every two years, the organization's performance and effectiveness and of determining future actions required to achieve its mission.
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.

FINANCES

8. Spend at least 65% of its total expenses on program activities.

Formula for Standard 8:

$$\frac{\text{Total Program Service Expenses}}{\text{Total Expenses}} \text{ should be at least } 65\%$$

9. Spend no more than 35% of related contributions on fund raising. Related contributions include donations, legacies, and other gifts received as a result of fund raising efforts.

Formula for Standard 9:

$$\frac{\text{Total Fund Raising Expenses}}{\text{Total Related Contributions}} \text{ should be no more than } 35\%$$

10. Avoid accumulating funds that could be used for current program activities. To meet this standard, the charity's unrestricted net assets available for use should not be more than three times the size of the past year's expenses or three times the size of the current year's budget, whichever is higher.

11. Make available to all, on request, complete annual financial statements prepared in accordance with generally accepted accounting principles.

12. Include in the financial statements a breakdown of expenses (e.g., salaries, travel, postage, etc.) that shows what portion of these expenses was allocated to program, fund raising, and administrative activities.

13. Accurately report the charity's expenses, including any joint cost allocations, in its financial statements.

14. Have a board-approved annual budget for its current fiscal year, outlining projected expenses for major program activities, fund raising, and administration.

FUND RAISING AND INFORMATIONAL MATERIALS

15. Have solicitations and informational materials, distributed by any means, that are accurate, truthful and not misleading, both in whole and in part.

16. Have an annual report available to all, on request, that includes:

- a. the organization's mission statement,
- b. a summary of the past year's program service accomplishments,
- c. a roster of the officers and members of the board of directors,
- d. financial information that includes (i) total income in the past fiscal year, (ii) expenses in the same program, fund raising and administrative categories as in the financial statements, and (iii) ending net assets.

17. Include on any charity websites that solicit contributions, the same information that is recommended for annual reports, as well as the mailing address of the charity and electronic access to its most recent IRS Form 990.

18. Address privacy concerns of donors by

- a. providing in written appeals, at least annually, a means (e.g., such as a check off box) for both new and continuing donors to inform the charity if they do not want their name and address shared outside the organization, and
- b. providing a clear, prominent and easily accessible privacy policy on any of its websites that tells visitors (i) what information, if any, is being collected about them by the charity and how this information will be used, (ii) how to contact the charity to review personal information collected and request corrections, (iii) how to inform the charity (e.g., a check off box) that the visitor does not wish his/her personal information to be shared outside the organization, and (iv) what security measures the charity has in place to protect personal information.

19. Clearly disclose how the charity benefits from the sale of products or services (i.e., cause-related marketing) that state or imply that a charity will benefit from a consumer sale or transaction. Such promotions should disclose, at the point of solicitation:

- a. the actual or anticipated portion of the purchase price that will benefit the charity (e.g., 5 cents will be contributed to abc charity for every xyz company product sold),
- b. the duration of the campaign (e.g., the month of October),
- c. any maximum or guaranteed minimum contribution amount (e.g., up to a maximum of \$200,000).

20. Respond promptly to and act on complaints brought to its attention by the BBB Wise Giving Alliance and/or local BBBs about fund raising practices, privacy policy violations and/or other issues.

Charity Navigator example

<http://www.charitynavigator.org/index.cfm?bay=search.summary&orgid=7942>

Variety the Children's Charity of Southern California

Providing life saving support

Current Rating

Accountability

Historical Data

Comments (0)

News

Rating

Overall Rating ★★☆☆☆
(42.34)

Organizational Efficiency

Program Expenses	78.6%
Administrative Expenses	11.3%
Fundraising Expenses	10.0%
Fundraising Efficiency	\$0.10

Efficiency Rating ★★★☆☆
(30.36)

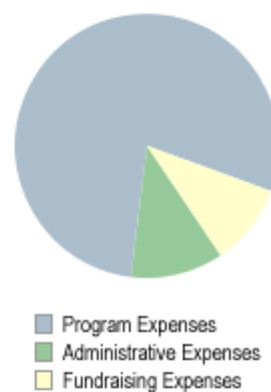
Organizational Capacity

Primary Revenue Growth	-4.2%
Program Expenses Growth	0.7%
Working Capital Ratio (years)	0.93

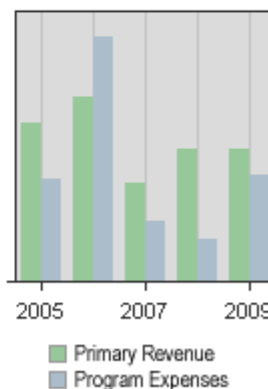
Capacity Rating ★★★★★
(11.98)

Charts

Expenses Breakdown



Revenue/Expenses Trend



Income Statement (FYE 09/2009)

Revenue

Primary Revenue	\$1,519,560
Other Revenue	\$11,143
Total Revenue	\$1,530,703

Expenses

Program Expenses	\$1,209,194
Administrative Expenses	\$174,007
Fundraising Expenses	\$154,902
Total Functional Expenses	\$1,538,103

Payments to Affiliates	\$8,546
Excess (or Deficit) for the year	\$-7,400

Net Assets	\$1,435,377
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Donor Privacy Policy

YES, this charity has a written donor privacy policy.

Leadership (FYE 09/2009)

Name	Title	Compensation	% of Expenses
Elizabeth O'Neil	Executive Director	\$91,196	5.92%
Other Salaries of Note			
Maria Schmidt	Executive Director Emeritus	\$91,029	5.91%

Mission

Formed in 1941, Variety the Children's Charity of Southern California is dedicated to providing lifesaving support for disabled, abused, physically-challenged and underprivileged children. Variety is made up of men and women primarily in the entertainment industry who raise the much-needed funds to help children in the Southern California community. A majority of the money raised in our community stays in our community, and our primary goal is to provide support wherever the need is greatest. In our 67 years of existence, we have raised more than \$60 million to help thousands of children. Variety prides itself on being able to modify its agenda in order to meet new trends and evolving conditions; addressing each case in a timely, impartial manner.

Charities Performing Similar Types of Work

Highly Rated

Most Viewed

Charity Name	Overall Score	Overall Rating
Variety the Children's Charity of Southern California - CA	42.34	★★☆☆
New Profit Inc. - MA	68.59	★★★★
Oregon Health & Science University Foundation - OR	62.89	★★★★
Community Health Charities Minnesota - MN	55.05	★★★☆☆
Robin Hood Foundation - NY	69.26	★★★★

[Compare These Charities \(Highly Rated\)](#)

Variety the Children's Charity of Southern California

Providing life saving support

Current Rating

Accountability

Historical Data

Comments (0)

News

Accountability & Transparency

Charity's Website

Does the charity's website include readily accessible information about the following:

Board Members Listed



Key staff listed



Audited Financials



Form 990



Privacy Policy



IRS Form 990

Does Not Provide Loan(s) to related parties



No Material diversion of assets



Documents Board Meeting Minutes



Provided copy of Form 990 to organization's governing body



Conflict of Interest Policy



Whistleblower Policy



Records Retention Policy



CEO listed with salary



Process for determining CEO compensation



Does Not Compensate Board



Audited financials prepared by independent accountant



Existence of an Audit Committee



Note: Currently Accountability and Transparency are not included in the rating.

They will only be included once all charities have been rated.

Charity Navigator Ratings - Current

<http://www.bbb.org/us/Charity-Standards/>

No. of Stars	Qualitative Rating	Description
★★★★★	Exceptional	Exceeds industry standards and outperforms most charities in its Cause.
★★★★☆	Good	Exceeds or meets industry standards and performs as well as or better than most charities in its Cause.
★★★☆☆	Needs Improvement	Meets or nearly meets industry standards but underperforms most charities in its Cause.
★★☆☆☆	Poor	Fails to meet industry standards and performs well below most charities in its Cause.
NONE	Exceptionally Poor	Performs far below industry standards and below nearly all charities in its Cause.

Organizational Efficiency

Analysing a charity's efficiency reveals how well it functions day to day. Charity Navigator analyzes four performance categories of organizational efficiency: program expenses, administrative expenses, fundraising expenses, and fundraising efficiency.

Performance Category 1: Program Expenses

Program expenses divided by total functional expenses.

Performance Category 2: Administrative Expenses

Charity's administrative expenses divided by total functional expenses.

Performance Category 3: Fundraising Expenses

Fundraising expenses divided by total functional expenses.

Performance Category 4: Fundraising Efficiency

Charity's fundraising expenses divided by the total contributions it receives as a result.

Organizational Capacity

Analysing a charity's capacity to determine how well it has sustained its programs and services over time, and whether it can continue to do so, even if it loses support or faces broad economic downturns.

Performance Categories 5 and 6: Primary Revenue Growth and Program Expenses Growth

Charity Navigator analyzes a charity's average annual growth of primary revenue and program expenses over three to five years.

Performance Category 7: Working Capital Ratio

Charity's working capital divided by its total expenses

Charity Navigator Ratings - Future

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1093> &
<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1162>

Accountability and transparency {to be included July 2011}

1. A Review of the Charity's Website

All information must be easily accessible on the charity's website.

- Board members listed
- Key staff listed
- Audited financials
- Form 990
- Privacy Policy

2. Data culled from Form 990

- Loan(s) to related parties
- Material diversion of assets: for example embezzlement
- Documents Board meeting minutes
- Provided copy of Form 990 to organization's governing body
- Conflict of interest policy
- Whistleblower policy
- Records retention policy
- CEO listed with salary
- Process for determining CEO compensation
- Compensates Board: compensation can call into question a charity's financial integrity
- Audited financials prepared by independent accountant
- Existence of an audit committee

Effectiveness / Results {to be included July 2012}

1. What is the charity's commitment to reporting results?
2. How does the charity demonstrate the demand for its services?
3. Does the charity reports its outputs (what it does)?
4. Does the charity report its outcomes (defined as the identifiable differences that it makes through its work)?
5. What is the quality of evidence for reported results?
6. Does the charity adjust and improve in light of its results?

3rd Party Evaluations/Reviews {to be included July 2013}

Weighted score based on quality and rigor of data:

- Volunteer reviews
- Primary Constituents feedback
- Independent Expert reviews
- Independent In-depth research and analysis

