

JO Knows Rating Agencies

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If your organization is striving to build trust, attract donors, and expand its impact, a strong rating from a recognized nonprofit evaluator can make a significant difference. Ratings from respected agencies not only signal your credibility, but also guide potential donors toward organizations that use resources effectively, operate transparently, and deliver measurable results.

Here's what the major nonprofit rating agencies evaluate—and how you can position your organization for success:

Charity Navigator (0 to 4 Stars)

Charity Navigator evaluates nonprofits using an approach based on two objectives: helping donors and celebrating the work of charities. Its team uses a knowledge base of research, analysis, and constituent feedback to create ratings based on four “beacons”:

- Impact & Measurement – Assesses the direct impact of a charity's program relative to the cost required to run it to help donors identify high-impact charities.
- Accountability & Finance – Analyzes organizations' governance practices and financial health to help donors find transparent, efficient, and sustainable charities.
- Leadership & Adaptability – Assesses a charity's leadership capacity, strategic development, and ability to adapt to internal and external changes to better deliver on its mission.
- Culture & Community – Assesses charities' overall culture and connectedness to the constituents and community they serve.

GuideStar (Bronze to Platinum Transparency Seal)

GuideStar evaluates non-profits using “Seals of Transparency” which are upgraded based on the depth of information shared by an organization:

- Bronze: Provide basic information so donors can find you and fund your work
- Silver: Share program(s) information to guide funding decisions
- Gold: Upload financial details and leadership demographics to gain trust and support
- Platinum: Share goals, strategies, and metrics along with board demographics to highlight your impact and boost funding

To earn a higher seal, contact Guidestar through their website to claim your profile and ensure it is up to date with the information needed for each tier.

BBB Wise Giving Alliance / Give.org

Give.org evaluates non-profits based on 20 Standards for Charity Accountability. These standards include the following criteria:

- Board oversight and independence
- Measurable program effectiveness
- Accurate financials and responsible fundraising
- Spending at least 65% on program activities
- Spending no more than 35% on fundraising
- Transparency in fundraising appeals

Charities that are found to meet all 20 BBB Charity Standards are called “BBB Accredited Charities” and are featured on Give.org. BBB Accredited Charities have the option of signing a license and paying a sliding scale fee for the use of a BBB Accredited Charity Seal.

CharityWatch (Letter Grades A+ to F)

CharityWatch ratings are considered the most stringent in the sector as it takes a stricter, watchdog-style approach by examining actual spending and efficiency:

- % of budget spent on programs (not fundraising or admin)
- Cost to raise \$100
- Review of audited financial statements in addition to detailed 990 analysis

GiveWell (Top & Standout Charities)

GiveWell conducts rigorous research to identify the most cost-effective global health and development charities so that donors can do as much good as possible with each dollar they give.

Criteria include:

- Evidence of effectiveness (strong evidence of impact – e.g., randomized controlled trials or equivalent)
- High cost-effectiveness (e.g., dollars per life saved or improved)
- Room for more funding (e.g., can additional funds be used effectively?)
- Transparency (willingness to take part in GiveWell’s intensive investigation process including public discussion of your work)

GiveWell only recommends a handful of ‘Top Charities’ and periodically lists standout charities based on emerging promise. High ratings are typically earned by organizations with strong financial discipline and low fundraising costs.

To achieve strong ratings across all these platforms, provide the necessary information required by each agency and also focus on:

- Maximizing program impact relative to costs
- Maintaining governance best practices
- Publishing transparent, comprehensive financial and program information
- Tracking and sharing your outcomes

In summary, it should be noted that this list is not all-inclusive and is constantly changing. There are also many for-profit private rating agencies that share their information with federal, state and local regulators. For example, Cause IQ is a website that helps companies grow, maintain, and serve their nonprofit clients, and helps nonprofits find additional foundation funding.

We’re here to support you in navigating the rating agency landscape and its various requirements. If you’d like help preparing your materials or improving your visibility on one or more of these platforms, don’t hesitate to reach out.

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