



# Donor Checklist Improves Odds of Doing Good - Maximapact Blog



By Christopher Purdy

Americans continue to be a most generous people, ranking Number 1 in the [World Giving Index 2014](#), the only country to rank in the Top 10 for all three kinds of giving covered by the Index – helping a stranger (1<sup>st</sup>), volunteering time (5<sup>th</sup>) and donating money (9<sup>th</sup>).

In 2014, Americans' giving to charitable organizations exceeded \$350 billion, according to [Charity Navigator](#), equivalent to 2% of Gross Domestic Product.

No doubt, that largesse does a considerable amount of good. But this generosity could have even more impact if prospective donors would consider a few issues before writing a check or punching in their credit card number. Here's a checklist for prospective donors looking for outstanding investing opportunities in social good:

- **Measurable Results and Transparency:** Organizations should rigorously measure and report results that are transparently presented on a consistent basis by yardsticks such as contraceptive prevalence and maternal and child mortality. This ensures greater accountability and engenders trust by partners and donors. Look for an annual statistics recaps, like [this example](#), on their website.
- **Cost Recovery:** The best programs mimic the best for-profit companies and recover a significant portion of their costs through revenues collected, and do so without sacrificing the quality of its services or the ability of poor people to use them. It's important to ensure that programs are financially sustainable and have the financial health to endure beyond a donor's gift. [This article](#) talks about the three steps to financial sustainability – cost recovery, cross-subsidization and profitability.
- **Check Out Their Finances:** Their audited financial statement and Form 990 should be easily accessible on their website. "Savvy donors ask the charity for copies of its three most recent Forms 990," according to ["Top 10 Best Practices of Savvy Donors"](#) of Charity Navigator. "Not only can the donor examine the charity's finances, but the charity's willingness to send the documents is a good way to assess its commitment to transparency."
- **Entrepreneurial Spirit:** Look for an entrepreneurial spirit where managers are empowered to use social marketing or others tools of the commercial marketplace to achieve a social purpose. This entrepreneurial tendency generally results in less bureaucracy and more focus on bottom-line health impact using the commercial infrastructure already in place.
- **Decentralization:** Look for a decentralized approach, ensuring that strategic and programmatic



responsibility is delegated to field offices or employees on the ground. This allows for fast decision-making that is based on the realities of the environment. It also means fewer headquarters costs. DKT International, which I run, spends 2% of operating costs on a headquarters of less than 10 people; less than 0.2% is spent on fundraising.

- **Domestic vs. International:** Many people subscribe to the credo that "charity begins at home" and tend to favor domestic charities over international ones. Certainly, there are great needs in the U.S. But I believe that there are tremendous opportunities to make more impact with less money by donating to organizations working in developing countries. This article, ["Your dollar goes further overseas."](#) explains this concept.
- **Follow Up:** Don't just fork over the money and then forget about it. Check back a year later and see whether the organization has met its objectives, says GiveWell, a nonprofit dedicated to finding outstanding giving opportunities, in their ["6 tips for giving like a pro."](#)

When giving to charity, following your heart feels good. Using your head and your heart feels even better.

*Chris Purdy is CEO and president of [DKT International](#). From 1996 to 2011, he served as DKT country director in Turkey, Ethiopia, and Indonesia, where he managed the largest private social marketing family planning program in the world. He served as executive vice president from 2011-2013. His professional interests center on advancing the cause of social marketing for health and socially responsible capitalism.*

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