

Two thousand nine was the second year of the Charities Review Council's strategic plan that is guiding our work through 2010. In this report, each of our strategic goals and related indicators of progress for 2009 are stated, followed by a brief narrative about whether those indicators were met along with our reflections on our accomplishments, unanticipated results, and lessons learned.

1. EXPANSION GOAL: The Council is taking a national leadership role to be a distinctive voice for advancing the public's trust in charities.

Indicators:

Formal partnerships established with 2 ND/SD organizations.

Accountability Wizard software re-engineered by 12/31/09.

Progress toward Goal:

- The Council garnered strong corporate and foundation support, especially that of the Bush Foundation, which will allow us to formulate and carry out our expansion marketing and business plan in 2010.
- We have enrolled our two first North Dakota Wizard participants.
- Our Annual Forum is emerging as an attractive sector event. In collaboration with the Minnesota Council on Foundations, our 2009 forum featuring a keynote address by Phil Buchanan, President of the Center for Effective Philanthropy, drew a record 282 attendees and support from 22 sponsors.
- Productive meetings between the Council and the leadership of the South Dakota Nonprofit Enhancement Project and the newly revived South Dakota Nonprofit Association are a positive step toward expansion. The North Dakota Association of Nonprofit Organizations (NDANO) warmly welcomed us to the table as a prospective partner in their mission to strengthen nonprofit sector capacity in that state. They introduced the Council at their annual conference in June.
- The Accountability Wizard software re-engineering will be completed in first quarter of 2010, and is anticipated to be used in new reviews beginning in second quarter, dovetailing with the transition plan for our newly revised Accountability Standards.

Unanticipated results and key learnings: We pursued a relationship with the North Dakota-based Impact Foundation, a donor-focused philanthropic organization, in 2009 because of our complementary missions. Impact's initiative to develop criteria for "superior performance" has the potential to add to a potential partnership, but for the time being, this initiative has fully absorbed Impact and put partnership discussions on hold. We expect to continue discussions with them in 2010, as well as with other potential collaborators, to determine the most appropriate partners moving forward.

2. CULTURAL COMPETENCE GOAL: The Council is transforming to a more culturally affirming, inclusive organization that will effectively serve donors and nonprofits of all cultures and communities.

Indicators:

One additional board member from a community of color by 12/31/09.

Recommendations of internal cultural competency assessment implemented by 12/31/09.

Progress toward Goal:

- We welcomed one new board member from a community of color this year; one additional person of color will be nominated to a board seat in February. And we are seeking an additional highly qualified candidate of color for our remaining open position. Two people of color finished their board terms with us in 2009.
- The recommendations for 2009 from the internal cultural competency assessment have been implemented, including staff participation in a cultural competence webinar series with Leadership Paradigms.
- Our new set of Accountability Standards, revised in October 2009, include a Diversity and Inclusivity Standard that will be new to the review process. We successfully engaged a wide array of volunteers representing

various communities on the oversight committee that steered the revision process, as well as through the many focus groups, town hall-style meetings, and other forums we held.

3. DONOR GOAL: The Council is building public trust for smart giving through the use of its Accountability Wizard.

Indicators:

50% increase in number of grant makers who indicate use of Council information in their due diligence or promote Wizard participation, from 21 to 32.

25% increase in number of charity searches completed at www.smartgivers.org, from 36,000 to 45,000.

Progress toward Goal:

- In 2009, 43 grantmakers indicated they use Council information in their due diligence or promote Wizard participation, more than doubling last year's number, a sign that our review process indeed upholds sound, widely shared sector expectations of accountability, and that grantmakers see value in the process to help build nonprofits' capacity to pursue their missions.

Unanticipated results and key learnings: The number of charity searches completed at our website decreased to 26,894 last year. We believe this decline may be attributed to two factors. First, as job loss or other financial strains decrease donors' disposable income, they may decrease their charitable giving or choose to give to familiar charities rather than search for new giving opportunities.

Secondly, because our use of social media has catalyzed interactions with key audiences, both nonprofit sector and donors, these users increasingly are accessing the Council site *without using the search function*. For example, more users are being directed to SmartGivers.org via Twitter and Facebook links. We therefore are revisiting the use of charity searches as a reliable indicator of site traffic. For example, all posted nonprofit reviews are linked to Facebook the day they are made live. A user may click directly on the review, entering the Council's site that way.

- We have 632 Twitter followers, posted 371 tweets and tracked 174 referrals from Twitter.com to the Council website.
- At least three media articles resulted from a tweet.
- The Council's *Smart Giving* e-newsletter has generated about 32 percent opens and 26 percent click-throughs since its inception.
- In the traditional media vein, our *Smart Giver* print newsletter reached 8,250 subscribers, of whom 5,700 have donated to the Council at least once.

4. NONPROFIT GOAL: The Council is a champion for nonprofit accountability through identifying and defining sound practices and vigorously engaging the nonprofit sector in those practices.

Indicators:

65 new organizations enrolled in Accountability Wizard (20 from ND/SD) and 100% (of 144) renewal rate achieved.

Revised Accountability Standards approved by Council board of directors by 10/08/09.

Progress toward Goal:

- We exceeded our goal of 65 new reviews, enrolling 79 new organizations in the review process in 2009. One factor in achieving the new reviews was the beginning of an onsite Wizard assistance program linking trained volunteers who helped nonprofit organization staff as they went through the Accountability Wizard.
- Renewals fell short of our 100% goal, with 117 out of 144 re-enrolling. The economy was the primary reason we missed our renewal goal – some organizations no longer existed; some were cash-strapped or otherwise preoccupied. Most told us they found the process especially useful in a tough economy.
- The Council's board of directors approved new Accountability Standards in October 2009, the first revision in twelve years. The new Standards are the result of a year-long process led by the board's Program Committee. The process incorporated valuable feedback and participation of 400 individuals representing a broad and

diverse set of stakeholders, including individual donors, institutional grantmakers, nonprofit organizations from communities of color and underserved communities, arts and cultural organizations, and finance, fundraising and governance experts.

Unanticipated results and key learnings: We fell short of our goal of 20 nonprofits in the Dakotas completing the Accountability Wizard because we didn't secure funding for business planning until later in the year. We will be reviewing our first two North Dakota nonprofits this year and expect to grow that number as we move ahead with expansion plans.

5. LEAD BY EXAMPLE GOAL: The Council is earning public and nonprofit trust by modeling excellence in our recommended practices.

Indicators:

All Independent Sector principles on governance met.

25% increase in number of \$1,000+ givers (Visionaries' Circle members), from 12 to 15.

25% increase in number of new givers, from 120 to 150.

Progress toward Goal:

- All 33 IS principles were met. Policies were approved and implemented for travel and expense reimbursement, a disaster plan, and committee charters outlining roles and responsibilities of each board committee.
- We finished 2009 in a strong financial position, surpassing both our individual giving and corporation and foundation goals. Individual contributions exceeded our annual goal of \$70,000. We significantly surpassed our \$334,000 goal for foundation and corporate support.

Unanticipated results and key learnings: While we did not meet our goal of increasing the number of Visionaries' Circle members to 15, we were pleased to increase the number to 13, particularly in light of the tough economy.

The number of new givers to the Council fell far short of our goal of 150; we welcomed 65 new givers in 2009. Our Development Committee of the board addressed this drop in new donor acquisition throughout the year, and while we continually strive to transition our service users to become financial supporters, we have seen great returns from our focus on cultivating existing donors.

Also of note in 2009, we collaborated with GiveMN to promote Give to the Max Day, an unprecedented platform for online giving that raised \$14 million for Minnesota charities. This included nearly a four-fold increase in the number of our own online givers, from 19 in 2008, to 74 in 2009. Our close involvement with this remarkable initiative helped bring our mission to a wider audience through prominent display of our seal for organizations that have met our Standards. Council Executive Director, Rich Cowles' ongoing involvement as a member of GiveMN's strategy cabinet will help strengthen the philanthropic sector by continuing to forge the link between online and informed giving—two critical trends in philanthropy.

Population Served

The Charities Review Council served more than 8,000 individuals, nonprofits and businesses throughout Minnesota in 2009. Donors are served through our semi-annual newsletters, web services found at SmartGivers.org, social media sites including Facebook and Twitter (@SmartGivers) and telephone inquiries. We continue to be a leader in strengthening nonprofits' capacity to carry out their missions by encouraging organizational transparency and accountability, achieved through the Accountability Wizard review process and Council staff assistance. We are continually developing our own organizational culture to reflect our values of inclusivity, and building a culturally affirming climate both internally and in our work with nonprofits and donors.