

BBB STANDARDS FOR CHARITY ACCOUNTABILITY

4 PILLARS & 20 STANDARDS TO VERIFYING A TRUSTWORTHY CHARITY



BBB CENTER FOR ETHICS
EQUIPPING TOMORROW'S EMPLOYEES TODAY.

MEET THE STANDARDS, EARN ACCREDITATION

This chart provides just a summary of these standards. To access the full text along with an explanation of how they are applied, visit [Give.org](https://www.give.org).

Questions? Contact your Charity Accreditation team.

GOVERNANCE

The governing board has the ultimate oversight authority for any charitable organization. This section of standards seeks to ensure that the volunteer board is active, independent and free of self-dealing.



- 1 BOARD OVERSIGHT**
Adequate oversight of the charity's operations and its staff.
- 2 BOARD SIZE**
Minimum of five voting members.
- 3 BOARD MEETINGS**
Minimum of three meetings per year.
- 4 BOARD COMPENSATION**
No more than one or 10% directly or indirectly compensated person(s) serving as voting member(s).
- 5 CONFLICT OF INTEREST**
No material conflicting interest transaction(s) with board or staff member(s).

RESULTS REPORTING

These standards require that charities set defined, measurable goals and objectives, evaluate their success based on them, and identify ways to address deficiencies.



- 6 EFFECTIVENESS POLICY**
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 EFFECTIVENESS REPORT**
Written report on charity's performance and effectiveness submitted to board for approval.
- 8 PROGRAM EXPENSES**
At least 65% of total expenses spent on program activities.
- 9 FUNDRAISING EXPENSES**
< 35% of related contributions spent on fundraising.
- 10 ACCUMULATING FUNDS**
Avoids accumulating funds that could be used for current program activities.

FINANCES

This section of standards seeks to ensure that the charity spends its funds honestly, prudently and in accordance with statements made in fundraising appeals.



- 11 AUDIT REPORT**
Makes available to all, on request, complete annual financial statements prepared in accordance with generally accepted accounting principles.
- 12 DETAILED EXPENSE BREAKDOWN**
Financial statements that shows what portion of the expenses were allocated to program, fundraising, and administrative activities.
- 13 ACCURATE EXPENSE REPORTING**
Accurately reports the charity's expenses, including any joint cost allocations, in its financial statements.
- 14 BUDGET PLAN**
Annual budget for current fiscal year showing expense totals for programs, fundraising, and administration.

TRUTHFUL & TRANSPARENT

This section of standards seeks to ensure that a charity's representations to the public are accurate, complete and respectful.



- 15 ACCURATE MATERIALS**
All Solicitations and informational materials, are accurate, truthful and not misleading.
- 16 ANNUAL REPORT**
Annual report that is available to all.
- 17 WEBSITE DISCLOSURES**
Soliciting charities must include on their website:
 - Annual report details
 - Mailing address
 - Electronic access to recent IRS Form 990
- 18 DONOR PRIVACY**
Addresses privacy concerns of donors.
- 19 CAUSE MARKETING DISCLOSURES**
Clearly disclose how the charity benefits from the sale of products or services that state or imply that a charity will benefit from a consumer sale or transaction.
- 20 COMPLAINTS**
Responds promptly to and acts on complaints brought to its attention by the BBB Wise Giving Alliance and/or BBBs.