Choosing a Legitimate USA Nonprofit

5 Tips for Identifying a Reputable USA Nonprofit Before Making a Donation

+ Project Plan Communication

It's giving season, and you've found a cause that resonates with you. But how can you be sure the nonprofit you support is legitimate? Whether you're donating as an individual or on behalf of an organization, this concern is shared. To help you make an informed decision, we've compiled essential tips to verify a nonprofit's legitimacy. Researching and following these tips can save both your cause and your money.

Why Researching a Nonprofit is Important

Before diving into the tips, let's understand why it's crucial to research a nonprofit:

1. **Ensure Legitimacy**: Confirm that the organization is legally recognized and follows regulations.
2. **Maximize Impact**: Ensure your donation effectively reaches the intended beneficiaries.
3. **Avoid Scams**: Protect yourself from fraudulent organizations that misuse funds.

Tips for Choosing a Legitimate Nonprofit

Confirm its 501(c)(3) Status

Verify if the nonprofit is registered as a 501(c)(3) organization with the IRS. This status indicates that the organization is recognized as a tax-exempt charitable entity. To check, visit the IRS website and search for the nonprofit's name or Employment Identification Number

(EIN). The EIN can typically be found in the donation acknowledgment letter from previous donations, or you can contact the nonprofit directly for this information.

Check State Registration

Nonprofits must be registered in the states in which they operate. Visit the Secretary of State's website for the relevant state and search the nonprofit's name in the corporation's division. This search will provide access to critical details such as:

- **Articles of Organization**: Foundational documents that outline the nonprofit's purpose.
- **Year Established**: Helps gauge the nonprofit's experience and stability.
- **Mission and Vision**: Ensure the nonprofit's goals align with your values.
- **Board of Directors**: Look for credible and experienced individuals.

For older organizations, review their Annual Reports for the most recent fiscal year to get updated information about the Board and any restated Articles to see if their mission or vision has changed.

When was the nonprofit established?

It's not that newer nonprofits are not legit; however, older organizations show consistency and reliability in terms of existence. That means they are trusted, more impactful, and have a more extensive donor base to base your decision.

Is it listed in nonprofit databases?

To learn more about it, you can visit websites for non-profit profiles of nonprofits in the USA. Searching using a name or EIN, you can find the year of establishment, current 990 filings with the IRS or state, financial statements, impact, and current Board of Directors. These websites also provide a secure platform to donate to the nonprofit directly without worrying about legitimacy.

Does it have a social media presence?

Check the website for the members, their impact, and the Board of Directors. Does the Board have a social media presence that can be vetted? Moreover, do they have contact information like a phone or email address ending in the organization name vs. gmail.com or yahoo.com? Finally, check its profile and followers on LinkedIn and Facebook.

Real-Life Example

Consider the [African Food and Peace Foundation](#). Suppose you want to donate to them because they support international development initiatives. By following the steps above, you find out:

- The [African Food and Peace Foundation](#) is listed on the IRS website with an active 501(c)(3) status.

- They have existed for over 40 years.
- Their state registration is current, and their most recent Annual Report, as shown on Candid.org, shows transparency in their financials and board members' credentials.

By confirming these details, you can confidently support the African Food and Peace Foundation, knowing your donation will be used effectively.

Plan Implementation

Stakeholders Involved

1. **Project Manager**: Oversees the project plan, communicates with stakeholders, and meets timelines.
2. **Research Team**: Responsible for verifying nonprofit legitimacy through various databases and resources.
3. **Financial Analyst**: Evaluates the financial health and transparency of the nonprofit.
4. **Communications Specialist**: Manages communication with the nonprofit and stakeholders.
5. **Donors**: Individuals or organizations intending to donate and seeking assurance of the nonprofit's legitimacy.

Critical Metrics for Evaluating Nonprofit Legitimacy

1. **501(c)3 Status**: Confirm that the IRS recognizes the nonprofit as tax-exempt.
2. **State Registration**: Verify that the nonprofit is registered in its state(s).
3. **Establishment Date**: Consider the longevity and consistency of the nonprofit's operations.
4. **Database Listings**: Check listings on reputable nonprofit databases like candid.org.
5. **Social Media Presence**: Review the nonprofit's presence and activity on social media platforms.
6. **Board of Directors**: Evaluate the credibility and transparency of the nonprofit's leadership.

Project Timeline

Phase 1: Initial Research (Week 1)

- **Day 1-2**: Verify the status of 501(c)3 through the IRS website.
- **Day 3-4**: Check state registration via the Secretary of State website.
- **Day 5**: Compile initial findings and prepare a brief report.

Phase 2: Detailed Verification (Week 2)

- **Day 1-2**: Research establishment date and historical consistency.
- **Day 3-4**: Search nonprofit databases (e.g., candid.org) for detailed profiles.
- **Day 5**: Assess the nonprofit's financial statements and impact reports.

Phase 3: Social Media and Board Evaluation (Week 3)

- **Day 1-2**: Review the nonprofit's website and social media profiles.
- **Day 3-4**: Evaluate the Board of Directors profiles and their social media presence.
- **Day 5**: Consolidate all findings and prepare a comprehensive report.

Phase 4: Final Review and Communication (Week 4)

- **Day 1-2**: Review the compiled report with the research and financial analysis team.
- **Day 3-4**: Communicate findings to donors and stakeholders.
- **Day 5**: Address any questions or concerns from donors and finalize the project.

Conclusion

Researching a nonprofit's legitimacy is a crucial step in ensuring your contributions make a difference. This list isn't exhaustive and is not determinative of whether or not the nonprofit is legitimate. However, it can be used as a guideline to ensure that the donations are put to good use. By following the tips outlined above, you can avoid scams, ensure your donation goes to a worthy cause, and ultimately, make a positive impact.

This article is written by Tatra Mary, the Executive Director of the African Food and Peace Foundation (AFPF), a US 501(c)3 that has existed for over 40 years. For questions or comments, visit www.afpfonline.org or [email](mailto:) us.

Happy giving!