

RED FLAG TABLE

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	TRANSPARENCY	LEGAL STATUS / ORGANIZATIONAL HISTORY	STRATEGY				
POSSIBLE RED FLAGS	<p>Basic information is not made publicly available, including one or more of the following: the organization's approach, programs and services, or board members.</p> <ul style="list-style-type: none"> Does the organization provide contact information? When contacted, is the organization transparent about its work? Is there a particular reason it does not share its information widely? 	<p>The organization is not legally registered as a charitable organization in the US—i.e., 501(c)(3) or 501(c)(4).</p> <ul style="list-style-type: none"> Is the organization registered outside of the US? If so, where? Why is the organization unregistered? 	<p>Research turns up negative press coverage (current or past).</p>	<p>It is not clear where the organization is headed in the near future.</p> <ul style="list-style-type: none"> Is the organization in a transition phase? Is the organization working in a dynamic field that requires flexibility? Can the organization's staff clearly articulate the current program goals? 	<p>The organization is undergoing a change in its approach/vision.</p> <ul style="list-style-type: none"> What are the reasons for this change? How was the new approach/vision determined? 	<p>The organization does not seem to engage its target population in a meaningful way.</p> <ul style="list-style-type: none"> What barriers might the organization face in engaging its target population? How does the organization take the target population's perspectives into account? 	<p>The organization does pursue multiple, disparate strategies with limited resources.</p> <ul style="list-style-type: none"> Why does the organization employ such strategies?
FOLLOW-UP QUESTIONS							
DONOR REFLECTION QUESTIONS	<ul style="list-style-type: none"> Do you have enough information to get a sense of the broad areas of due diligence and to feel comfortable funding the organization? 	<ul style="list-style-type: none"> Are you willing to support an organization not registered in the US? Is it necessary that your gift be tax deductible? 	<ul style="list-style-type: none"> Do you feel that the organization has appropriately and sufficiently responded to the issues in the negative press coverage? 	<ul style="list-style-type: none"> Do you feel that the organization has enough future direction that your funds can contribute to its progress? 	<ul style="list-style-type: none"> Are you willing to support an organization's efforts to change its approach/vision? 	<ul style="list-style-type: none"> Do you feel the organization sufficiently engages the target population given the focus area? 	<ul style="list-style-type: none"> Do you feel the organization places sufficient emphasis on the strategies that are most important to you?

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		GOVERNANCE & MANAGEMENT			MONITORING & EVALUATION		
<p>POSSIBLE RED FLAGS</p>	<p>Programs/services are spread thin across multiple, incohesive issues and focus areas.</p>	<p>The organization has undergone a series of major leadership transitions (e.g., director, chief executive officer, chief finance officer).</p>	<p>Board members or significant donors have conflicts of interest.</p>	<p>The board lacks expertise about and representation from the organization's intended beneficiaries.</p>	<p>The organization does not clearly track its work and impact.</p>	<p>The organization has had a series of ineffective programs and does not apply lessons learned to its future work.</p>	<p>The organization pursues multiple, disparate strategies with limited resources.</p>
	<ul style="list-style-type: none"> Is the organization large enough to justify such a wide focus? Is the organization able to demonstrate past success across its focus areas? 	<ul style="list-style-type: none"> Is the organization transparent about these transitions and the factors that caused them? How has the organization handled the transitions? 	<ul style="list-style-type: none"> Is the organization transparent about any conflicts of interest? How does it address the conflicts? How might the conflicts affect the organization's work? 	<ul style="list-style-type: none"> What barriers may the organization face in engaging these key players? How does the board try to make up for the lack of this perspective? 	<ul style="list-style-type: none"> Does the organization have sufficient capacity (e.g., staff, expertise) to track its work and impact? How does the organization know it is making progress? 	<ul style="list-style-type: none"> What does the organization do with the information it collects about its past programs? How does the organization seek to improve its programs and general functioning? 	<ul style="list-style-type: none"> Why does the organization employ such strategies?
	<ul style="list-style-type: none"> Do you feel the organization places sufficient emphasis on the programs and services that most interest you? 	<ul style="list-style-type: none"> Are you willing to support an organization undergoing a leadership transition? 	<ul style="list-style-type: none"> Do any conflicts of interest affect the organization's alignment with your philanthropic goals? 	<ul style="list-style-type: none"> How does this organization's beneficiary representation compare to that of others in its field? 	<ul style="list-style-type: none"> Do you trust the organization's account of progress in its programs? Are you comfortable supporting a program that has yet to collect data on its work and impact (e.g., through pilot programs or trials)? 	<ul style="list-style-type: none"> Do you consider ineffective programs part of the learning process? Does the organization demonstrate interest in improving its programs? 	<ul style="list-style-type: none"> Do you feel the organization places sufficient emphasis on the strategies that are most important to you?
<p>DONOR REFLECTION QUESTIONS</p>							
<p>FOLLOW-UP QUESTIONS</p>							

FINANCIALS			
POSSIBLE RED FLAGS	An organization with an annual budget over \$1 million does not have audited financial statements (as required by the IRS).	The organization relies on a single donor or a small group of donors.	The organization has a growing deficit or has demonstrated extreme volatility.
FOLLOW-UP QUESTIONS	<ul style="list-style-type: none"> Is the organization generally transparent about its finances? 	<ul style="list-style-type: none"> Does the organization have a feasible strategy in place to diversify its revenue sources? 	<ul style="list-style-type: none"> What factors have contributed to this financial state? Is the organization working in a volatile field? What is the organization doing to address its deficit in the next 2-3 years (e.g., fundraising activity, revenue generation)?
DONOR REFLECTION QUESTIONS	<ul style="list-style-type: none"> Are you willing to support an organization that does not comply with audit requirements? 	<ul style="list-style-type: none"> Are you willing to be part of a smaller group of donors or to be the only donor supporting an organization? 	<ul style="list-style-type: none"> Do you consider a current deficit a significant risk? Are you tolerant of some financial volatility in the organizations you choose?