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Yuanyuan Song
University of Kentucky

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**Assessment of the Quality of Public Data Reporting by
Nonprofit Social Service Agencies Receiving Funding from the
Lexington-Fayette Urban County Government in FY 2013**

Yuanyuan Song

University of Kentucky

Martin School of Public Policy and Administration

Advised by Dr. Virginia Wilson

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Executive Summary

In 2012 and 2013, Lexington Fayette Urban County Government (LFUCG) Department of Social Service requested a “Social Service Needs Assessment Project” in Fayette County, Kentucky. In Aug, 31, 2012, Social Service Department established the “Needs Assessment Budget”. During Mar-Oct, 2013, two teams from The University of Kentucky College of Social Work (COSW) and the Martin School of Public Policy and Public Administration worked together to accomplish this project.

One of the tasks of this project is to assess the quality of data reported by the social service partner agencies of Lexington. “Partner organization” is the name government officials give to nonprofits that receive funding assistance from the Urban County Council. This particular review concerned the partner agencies that received LFUCG funding in FY 2013. The author was asked to make recommendations regarding data consistency and accountability to help LFUCG officials decide on whether they should impose additional data reporting requirements on agencies seeking public funding allocations in future years.

This project was part of a larger effort by LFUCG officials to improve their ability to allocate public resources to local nonprofit social service organizations in a more rigorous manner, rather than simply continuing appropriations that had been made in the past. There were two goals with this project. First, was to identify the best practices of data reporting for nonprofit organizations according to various relevant literatures. Second, was to analyze data made available by the twenty-one Lexington partner organizations in FY 2013. The research questions are: do the partner organizations follow best-practices in making data available to the public, and what is the quality of the data they do make available.

In general, the partner agencies did well in reporting financial information and basic information about the organization. This is likely due to the fact that IRS requires such information to be reported annually on Form 990 in order for organizations to maintain their tax exempt status. However, these organizations are generally weak in reporting data on their effectiveness, impacts, and in providing helpful information on their websites.

Literature Review

Nonprofit organizations hold an important status in helping communities. However, not all agencies produce favorable results. That drives the need for donors to review the performance of an organization before making donating decision. This review is especially important for governments who need to decide how much public tax dollars are appropriated to nonprofit organizations. Their evaluation is often not based on direct knowledge of the quality of nonprofit programs, since in many cases funding will be used to pay for goods or services that someone else receives. These donors need high quality information in order to identify which organization is performing efficiently and effectively. Responding to this requirement, nonprofits have to collect data regularly about their services and disclose that information to the public, if they want to continue to attract public funds and maintain public credibility.

However, data reporting of nonprofit organizations has not generally been done well. In 2013, BBB Wise Giving Alliance¹ evaluated the new or updated reports of fifty-one nationally-soliciting charities. The final report released on Dec 19 provided the results that twenty-four charities did not produce annual report or provided a report that did not include all the recommended information.² Twenty-seven charities indicated either they did not have a board-approved budget or their budget did not include a clear functional

¹ BBB Wise Giving Alliance is an organization seeks to assist donors in making informed judgments by providing objective evaluations of national charities based on 20 standards that address charity governance, finances, fund raising, appeal accuracy, and other issues. They do not rank charities.

² “BBB Wise Giving Alliance: Releases Latest Reports on National Charities Just in Time for Year-End Giving”, Dec 19, 2013

breakdown into expense categories of programs, fund raising, and administration.³

Twenty-seven charities lacked the recommended board policy for periodic self-assessment.⁴ Those results indicate that the data reporting process for many nonprofits needs to be improved.

However, data reporting for nonprofits is not simple. One problem during data reporting is the lack of consistency in what is being reported.⁵ First, nonprofits may only want to disclose information which can make them look better so they can increase donations. For instance, one organization may not update their recent achievement, instead they provide achievements from three years ago; another one may only disclose a financial summary with little information about expense allocations. Second, although some research institutions, such as BBB Wise Giving Alliance, have developed standards to evaluate nonprofits' data, they use different indicators. Those different standards make it difficult for donors to utilize, and difficult for nonprofit organizations to meet the different data reporting requirements.

Another problem is too much invalid information during data disclosure. Nowadays, people can get online-based information about nonprofit agencies in which they are

³ “BBB Wise Giving Alliance: Releases Latest Reports on National Charities Just in Time for Year-End Giving”, Dec 19, 2013

⁴ “BBB Wise Giving Alliance: Releases Latest Reports on National Charities Just in Time for Year-End Giving”, Dec 19, 2013

⁵ <http://www.charitywatch.org/articles/Not-So-GreatNonprofits.html>, “Not So Great Nonprofits”, by Charity Watch

interested. It is easier than ever to research agencies. But, donors must sift through mountains of information that is sometimes superficial, biased, or incorrect.⁶

Yet another problem is that nonprofits may have to face some extreme or unexpected situation, for example, natural disasters like flood, hurricane, extremely cold weather, and unexpected war. Some organizations' performance is based a lot on these sudden events, such as organizations which provide refugee service. Those nonprofits will have nothing to report during a normal year. However, this does not indicate poor performance.

Since the purpose of data reporting is to enable better evaluation of nonprofits and to help donors to make decisions, it is necessary to talk about some efforts that have been made to measure nonprofits' performance. Although there is no detailed federal legislation that calls for performance reporting⁷, in May 2005, a recommendation was made to the Senate Finance Committee by the Panel on the Nonprofit Sector. The Panel recommended that, as a best practice, charitable organizations establish procedures for measuring program accomplishments based on specific goals and objectives.⁸ This recommendation shows more attention to charitable organization's program evaluation and accountability enhancement. However, implementing actual measures is still a problem. How much data about performance have actually been collected? Based on the diversity of nonprofit work, some researchers even conclude that systemically measuring

⁶ "'Not So' Great Nonprofits", by Charity Watch

<http://www.charitywatch.org/articles/Not-So-GreatNonprofits.html>

⁷ "Building a Common Outcome Framework to Measure Nonprofit Performance", Washington, DC: Urban Institute. Center on Nonprofits and Philanthropy, 2006

⁸ "Building a Common Outcome Framework to Measure Nonprofit Performance", Washington, DC: Urban Institute. Center on Nonprofits and Philanthropy, 2006

impact in the nonprofit sector is impossible.⁹ Even though the whole picture is complex, having a standard framework for measurement can help donors to some extent and let nonprofits convey the value of their services.

Few studies directly talk about the data reporting process of nonprofits; however there has been some work in relevant areas about outcome indicators for nonprofit programs, standards for charity accountability, and criteria and procedure to rate charities.

Research, conducted by The Urban Institute and The Center for What Works in 2006, divides nonprofit organizations into 14 categories and provides suggested core outcome indicators. The problem here is that outcome data collected across a wide number of targeted program areas can be in various types and in different quality. So it is useful to group nonprofits by program area and similar services. Also, it is more useful if the measures are tabulated in detailed categories of clients, such as gender, age group and income level.¹⁰ The common framework of outcome indicators this research developed for all nonprofit programs contains four types: program-centered; participant-centered; community-centered, and organization-centered.¹¹

The BBB Wise Giving Alliance developed Standards for Charity Accountability. The standards seek to encourage fair and honest practices. Organizations that comply with

⁹ Paul DiMaggio, "Measuring the Impact of the Nonprofit Sector on Society is Probably Impossible but Possibly Useful" in *Measuring the Impact of the Nonprofit Sector*

¹⁰ "Building a Common Outcome Framework to Measure Nonprofit Performance", Washington, DC: Urban Institute. Center on Nonprofits and Philanthropy, 2006

¹¹ "Building a Common Outcome Framework to Measure Nonprofit Performance", Washington, DC: Urban Institute. Center on Nonprofits and Philanthropy, 2006

these accountability standards need to provide documentation about how they govern their organization, the way they spend their money, the truthfulness of their representations, and their willingness to disclose basic information to the public.¹²

There are four categories in BBB's standards: (1) Governance and Oversight; (2) Measuring Effectiveness; (3) Finances; (4) Fund Raising and Informational Materials.¹³

There are twenty aspects under all of the categories combined. The five aspects in category (1) include information about board members, regular meeting of governing body. Category (2) has two aspects: having a board policy of assessing performance and submission of written report outlining effectiveness assessment to the governing body. There are seven aspects in finances category, and six aspects in the last category. The information materials BBB requires from nonprofits are annual report, their website information, and their privacy policy.¹⁴

The Charity Navigator addresses detailed method and practices for examining charities' accountability and transparency. They consider two data sources: (1) information available from the IRS Form 990; (2) data from the organization's website. Twelve of the 17 Accountability & Transparency aspects they analyze are collected from the Form 990. If a nonprofit organization's Form 990 fails to answer any of the 12 items, the Charity Navigator will deduct the points from the organization's Accountability &

¹² Standards for Charity Accountability, BBB Wise Giving Alliance, 2003, <http://www.bbb.org/us/standards-for-charity-accountability/>

¹³ Standards for Charity Accountability, BBB Wise Giving Alliance, 2003, <http://www.bbb.org/us/standards-for-charity-accountability/>

¹⁴ Standards for Charity Accountability, BBB Wise Giving Alliance, 2003, <http://www.bbb.org/us/standards-for-charity-accountability/>

Transparency score.¹⁵ The other five aspects are for the review of agency's website, including information about Board members, key staff, audited financials, whether or not published recently filed Form 990, and the privacy policy.¹⁶

Based on these guidelines, IRS Form 990 and nonprofit organization's own website are important data resources. Board members, financial statement, privacy policy and some other aspects are a recommended standard concerning nonprofit data reporting.

For the Lexington area, we also have another important resource of data reporting, which is GoodGiving.net. People can find local charitable organizations on this website. GoodGiving.net keeps developing and updating comprehensive nonprofit portraits containing seven aspects: general information, statements and search criteria, impact, programs, management, governance, and financials.¹⁷ GoodGiving.net staff review information provided by organizations applying to be listed on the website. Only nonprofits that meet the GoodGiving.net standards for financial stability and information reporting are allowed to be listed. The intent is to be a "one-stop" source for donors in determining if an organization should receive their donated dollars. LFUCG now requires all nonprofit organizations that apply for funds to be approved GoodGiving.net charities before they will be considered for funding.

¹⁵ "How Do We Rate Charities' Accountability and Transparency?", Charity Navigator, <http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1093#.UwPctKJ6qE8>

¹⁶ "How Do We Rate Charities' Accountability and Transparency?", Charity Navigator, <http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1093#.UwPctKJ6qE8>

¹⁷ GoodGiving.net is an initiative of Blue Grass Community Foundation in Lexington, KY. <http://goodgiving.guidestar.org/>

Finally, Kentucky Nonprofit Network, a statewide resource for nonprofit board members, staff and other leaders¹⁸, developed best practices of data reporting recommendations for nonprofits. They recommend fourteen practices and principals, including governance, planning, financial management, volunteer engagement, and such.¹⁹

Methodology: Best Practices of Data Reporting for Nonprofit Organization

By summarizing important practices in each evaluation method mentioned in the foregoing section, and taking the current Lexington local data reporting pattern into account, this paper identifies the best practices of data reporting for that LFUCG officials should expect from Lexington partner agencies.

According to the review of different studies, I found the standards that BBB Wise Giving Alliance developed is very systematic. They put twenty criteria into categories, and this classification helped them effectively gathered information with very wide coverage. People who are uninformed of nonprofit evaluation can easily understand the structure they use, and can quickly pick up information they are interested about.

Therefore, the framework of data reporting practices in this paper (as shown in Table 1) is built based on the structure of BBB standard, which is defined from four similar

¹⁸ The KY Nonprofit Network, Inc., founded in 2002, is an association of organizations of all types and sizes in all 120 Kentucky counties. <https://kynonprofits.org/about-us>

¹⁹ “Principles and Practices for Nonprofit Excellence in Kentucky”, KY nonprofit Network. The practices and principals they recommend are: Governance, Planning, Transparency and Accountability, Financial Management, Fundraising, Communications, Human Resources, Volunteer Engagement, Information and Technology, Strategic Alliances, Public Policy and Advocacy, Risk Management, Evaluation of Results, Building a Greener Sector.

categories: governance and oversight, informational materials, effectiveness measurement, and financial measurement.

Table 1: Practices of Data Reporting for Non-profit Social Service Agencies

(1)Governance and Oversight	1.Full-time Staff & Volunteers 2.Independent voting members of the governing body	
(2) Informational Materials	3.Mission Statement 4.Impact Statement 5.Target Population 6.Needs Statement 7.Programs Introduction 8.Geographic Area Served	9.Strategic Plan and Fundraising Plan 10.Annual Report 11.Client Intake Form 12.Research Reports 13.Privacy Policy
(3) Effectiveness Measurement	14. Program Evaluation 15. Staff Evaluation	
(4) Financial Measurement	16.Independent Auditor’s Financial Statements 17.Total Revenue and Expense (Prior Three Years) 18.Revenue Sources (Prior Three Years) 19.Expense Allocation (Prior Three Years) 20.Assets and Liabilities (Prior Three Years)	

There are twenty aspects under these four categories, which are different from the BBB standard. The two aspects in the first category, governance and oversight, require information from nonprofit organization about their employees and board members. These data help define the nonprofit organization’s scale, and whether it has an active and independent board. The eleven aspects in the second category, informational materials, gather fundamental information the donor may need about nonprofit organizations, also various reports these organizations developed for board members and the public. Aspects in this category help to show nonprofit organizations’ effort on trying to provide accurate and complete information to the public. There are two aspects in the third category-- effectiveness measurement. They can evaluate that whether the nonprofits have a defined process in place to evaluate their operation. The five aspects in

the financial measurement category are developed to evaluate whether the fund is spent appropriately and honestly.

Data analysis results for Lexington Partner Agencies

To give a brief introduction of the twenty-one Lexington Partner Agencies in FY2013, Table 2 includes what the partner agencies do, their primary organization category, and the funding amount they received from Lexington City Council in FY2013.

Table 2: Twenty-one Partner Non-profit Agencies of Lexington in FY2013

Partner Organization	What They Do	Primary Organization Category	Government Funding Received*
Sunflower Kids	Provide supervised visitation services for domestic violence survivors and their children.	Human Services	\$14,157
Bluegrass Domestic Violence Board	Committee to end intimate partner abuse and its impact on families and community.	Human Services	\$63,750
YMCA of Central Kentucky	Put Christian principles into practice through programs that build healthy spirit, mind and body for all.	Human Services	\$15,000
Bluegrass Technology Center	Assist all persons to access technology and to increase their awareness of how technology can enhance their ability to participate more in the community.	Human Services	\$24,870
Community Action Council	Combat poverty	Community Improvement, Capacity Building	\$147,975
The Nest-Center for Woman, Children & Families	Provides free counseling, parent education, emergency childcare, and basic supplies for families in crisis	Human Services	\$80,000
Baby Health	Provide healthcare for the uninsured	Health Care	\$12,500

	children of Central Kentucky		
Bluegrass Rape Crisis Center	End sexual violence through crisis intervention, therapy, advocacy and education	Mental Health & Crisis Intervention	\$31,220
Urban League for Lexington-Fayette County	Assist African Americans and disadvantaged citizens in the achievement of social and economic equality	Civil Rights, Social Action, Advocacy	\$63,375
Kentucky Pink Connection	Eliminate barriers for women who have been diagnosed with breast cancer or who are in need of preventive services	Health Care	\$24,375
Mission Lexington, Inc	Free medical and dental care, along with other activities and goods to Lexington families in need.	Health Care	\$24,961
Moveable Feast Lexington, Inc	Prepare and deliver fresh, nutritious meals to individuals affected by HIV/AIDS or under Hospice care	Food, Agriculture & Nutrition	\$24,700
Hope Center, Inc	Provide life-sustaining and life-rebuilding services to homeless and at-risk persons	Housing, Shelter	\$666,000
Kentucky Refugee Ministries-Lexington	Provides basic resettlement services to refugees helping them achieve early employment and self sufficiency	Human Services	\$31,519
Prevent Child Abuse Kentucky	To prevent the abuse and neglect of Kentucky's children.	Human Services	\$10,756
MASH Services of the Bluegrass, Inc	Provide safe alternatives for at-risk children, youth and families.	Human Services	\$120,870
Chrysalis House	Support women and their families in recovery from alcohol and other drug abuse	Mental Health & Crisis Intervention	\$103,700
The Salvation Army	Take the gospel message and social outreach programs to the poor, the homeless, and the hungry	Human Services	\$224,400
Nursing Home Ombudsman Agency	Improve the quality of care for residents of long-term care facilities	Human Services	\$33,750
Bluegrass Community Action	Help low-income, disadvantaged and disabled families and individuals to become fully self-sufficient.	Human Services	\$19,500

Partnership			
Carnegie Literacy Center, Inc	Empower people to explore and express their voices through imaginative learning and the literary arts.	Education	\$21,000

*Data is from “Purchase of Service Agreements with Social Service Partner Agencies for FY 2013”, LFUCG Social Service Department, June 12, 2012.

Table 3: Four data sources and the nonprofit organizations’ response

GoodGiving.Net	All the 21 nonprofits could be found on GoodGiving.net. --19 nonprofits’ reports were updated between Aug,2013-Mar,2014 -- 2 nonprofits’ reports were last updated in Jan-Feb,2013
IRS Form 990	Form 990 --18 organizations Form 990EZ --3 organizations (gross receipts \leq \$50,000) -- The information about Salvation Army is for its national organization, not just for the Lexington unit.
Organization Websites	All the 21 nonprofits have their own websites.
Organization Direct Response to my inquires	After the first email, --12 organizations responded, 3 of them provided all the information -- 1 organization’s information is too extensive to share After the second email, --2 organizations gave all information after the second email. After the third and more emails, --3 more organizations provided all the information --5 organizations need to follow up --7 organizations did not respond to emails. Phone Contact: After email contact, phone calls were made for 13 organizations. --2 of them provided full information after the phone call --2 organizations would not provide a copy due to extensive information --Left messages for 9 organizations’ officers, not yet receive response

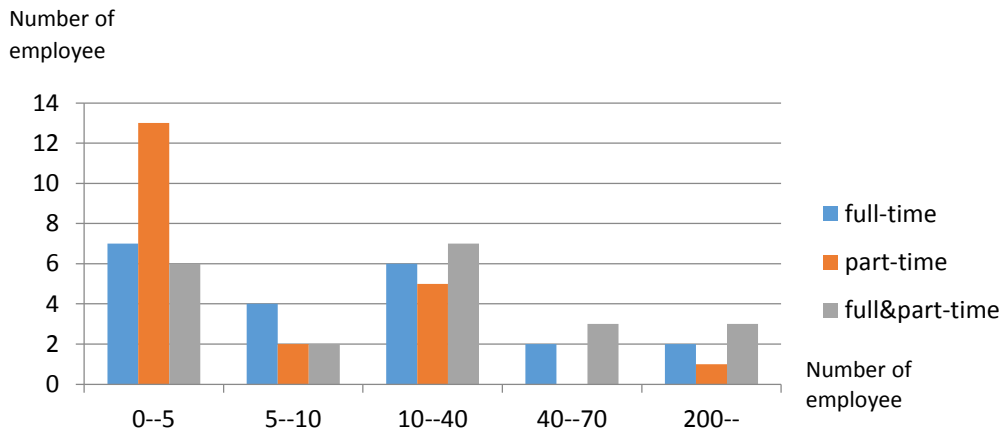
Data source:

Data about these twenty-one nonprofit organizations are collected from several sources, including GoodGiving.net, IRS Form 990 from GuideStar, and organizations' own websites. Organizations not having the desired information available for these sources were contacted directly, some multiple times. All their data is updated to Mar, 2014. According to the reports on GoodGiving.net, some organizations report that they have a strategic plan, fundraising plan, and non-management evaluation. In order to determine whether those reports are actually made available to the public and, if so, to assess their quality, I made direct contact with organizations' officers, through email and phone contact. I also requested a blank copy of their client intake form, to see what kind of information nonprofits are collecting from the people who are seeking for their help.

Analysis results of partner nonprofit organizations:**(1) Governance and Oversight**

Full-time Staff & Volunteers--All of these twenty-one partner agencies have provided the number of their Full-time Staff, Part-time Staff, and Volunteers in the reports from GoodGiving.net. These numbers have shown their organization scale. Figure 1 shows the distribution of the twenty-one partner agencies' scale. To identify the much smaller and much larger organizations, I set the uneven range in the horizontal axis. Most partner nonprofits are relatively small organization, with less than 10 total staff members.

Figure 1: Distribution of the quantity of Full-time, Part-time, and Full&Part-time employee among the twenty-one nonprofit organizations.



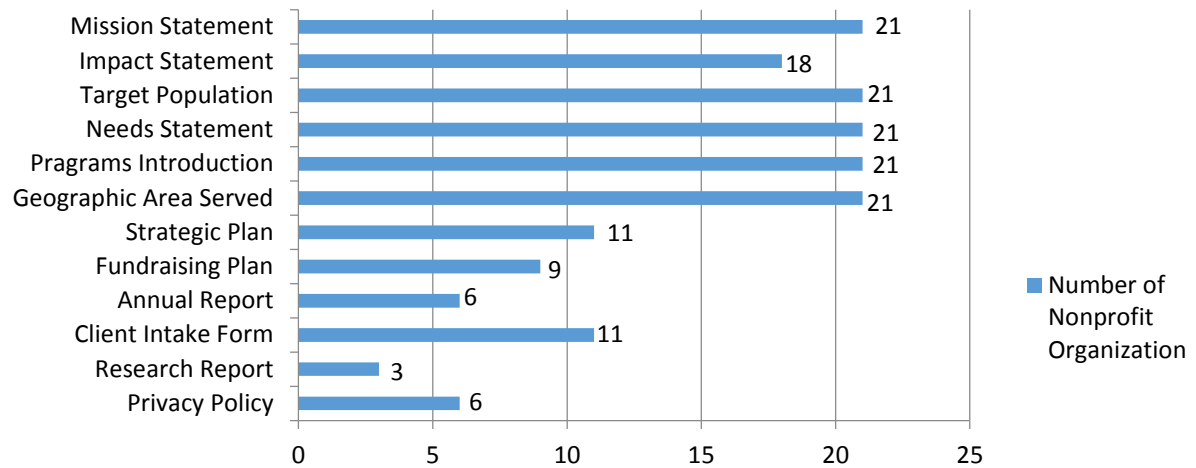
Independent voting members of the governing body are those who are not paid as employees or independent contractors or those who have not engaged in self-interested transactions with the filer.²⁰ Among the eighteen IRS-990 Forms we have (the other are 990EZ Forms), two of them reported zero independent voting members of the governing body. For the other 16 organizations, all of them have more than 7 independent Board members. This indicates that these nonprofits allow for full deliberation and diversity of thinking on governance and other organizational matters.

(2) Informational Materials

There are eleven aspects listed in this category, and Figure 2 shows that how many nonprofit organizations provided available data to the public related to those aspects.

²⁰ Peter Swords, “How to read the New IRS Form990”, <http://www.npceny.org/new990/new990.htm>

Figure 2: The number of nonprofit organizations which provided available data



As it is shown in Figure 2, these organizations provided available information on five categories: mission statement, population served, needs statement, programs introduction, and geographic area served. Those five aspects are related to basic information needed by the Urban County Council and individual donors to make funding decisions about those nonprofit organizations. All the data could be found on GoodGiving.net, their own websites and IRS Form 990.

For the other seven aspects listed in Figure 2, we need more detailed analysis. One of my assigned tasks during the summer project was to assess how readily those partner organizations would actually share the information they should provide with the public. Thus, I made requests for information to test how willing they are to provide to any member of the public. If I received the information, my additional task was to assess the quality of the data. This is particularly important for the planning report and the evaluation report in the next section.

Impact Statement-- After going over all the achievement relevant report on GoodGiving.net, IRS Form990, and Annual report, I found eighteen partner agencies mentioned their general achievements. Fourteen organizations reported recent achievements in FY2012 and FY2013. But among these fourteen nonprofits, three of their reports do not contain clear details. For example, how many individuals were served? One organization did not report their recent information, but reported the totals back to 2008, which is not quite useful for planning the future.

Strategic Plan and Fundraising Plan--According to the partner agencies' reports on GoodGiving.net, eleven of them claimed that they have a strategic plan, and nine of them said they have a fundraising plan (One organization did not report they have fundraising plan on GoodGiving.net, but provided a copy of it during the email contact). Table 4 shows whether the information about those nonprofits' strategic plan and fundraising plan is available to the public.

The nonprofit organizations which receive the larger amount of government contributions based on financial reports from GoodGiving.net, more commonly develop strategic plans and fundraising plans, or at least one of these two plans. The two organizations which have the largest gross receipts according to Form 990 and received the largest amount of government contributions among those 21 partner agencies, have developed both strategic plan and fundraising plan.

Table 4: Whether it is available for public to get nonprofits’ strategic and fundraising plan.

Number of Nonprofits	Strategic Plan	Fundraising Plan
Developed those reports	11	10
--Claim they have reports and provided copies	6	3
--Claim they have reports but would not provide copies	1	2
--Did not respond public inquires	4	5
Do not develop those reports	10	11
Total	21	21

A strategic plan should contain “the organization’s comprehensive mission statement, general goals and objectives, description of how the goals and objectives are to be achieved, description of how performance goals are related to the general goals and objectives, identification of key external factors, and description of program evaluations used to establish the general goals and objectives”²¹.

Among the six partner agencies that provided available strategic plan to the public, four of them contain mission statement. All of those reports were developed for the coming 3-5 years from their initial time. Goals in the short term and in the long term were explained clearly, with information about which activities to accomplish this goal, specific officers and team who will take charge of, and detailed accomplishment timelines. Two of them also set priority rankings for strategic goals. These six reports contain most of the elements which are needed in a strategic plan. However, only one organization set benchmarks for accomplishment. Others didn’t mention measurement used to evaluate accomplishment.

²¹ U.S. Government Accountability Office, A Glossary of Terms Used in the Federal Budget Process, <http://www.gao.gov/new.items/d05734sp.pdf>

Two organizations, which do not have a fundraising plan, mentioned their fundraising strategies in one section of their strategic plan. This section compensates for the lack of a fundraising plan for the two organizations to some extent.

Three fundraising plans are available to the public. Those plans developed fundraising goals also both for the near future and for the long run of the nonprofits. They included timelines for every month, every season, every six month, and for the current and future year. Specific steps were illustrated under each time period. One of the fundraising plans was also developed based on different kinds of donations, including different money contribution and in-kind support. For certain institutions that this nonprofit keeps partnership with, they also developed different plans for every partner institution. One fundraising plan estimated the range of dollars that would be received from different donation sources, and developed a stewardship plan for every donor. One organization would not share this report with the public due to the sensitive information it contains, however, the officer I talked with provided general information about aspects they plan to work on in terms of fundraising.

Annual Report--Six partner agencies provide annual reports on their website. Five of the reports are for the year 2012; the other is for year 2009 which is not updated in time. All of the six reports provided detailed information containing financial summaries, board members and lead donors for that year, and general organization achievement.

For the five reports of FY 2012, the achievement statements contain economic impact of the service and detailed service status during the year 2012. These reports are

sufficient as impact reports. However, the content in the six reports are not sufficient as an evaluation report. The partner agencies did not provide program or employee evaluation statements in their annual reports, for instance, detailed service description and expenses allocation for each program.

Client Intake Form--In order to find what kind of information these organizations are gathering from their clients; I contacted them to request a blank client intake form. The information received is shown in Table 5. I received eleven organizations' forms. All include intakes about clients' identification information (name, gender, address, contact information), classifications about which kind of help the clients are seeking, and information about clients' prior experience (such as, medical history and abuse experience). Six of them are very specific. Most of the forms with very detailed information request are from the health care nonprofit organizations.

Table 5: Number of organizations which make “client intake form” available to the public

Number of Nonprofits	Client Intake Form
Have it and available for the public	11
Have it but not available for the public	1
Do not have client intake form	2
Did not respond email and phone call inquires	7
Total	21

Related statistical reports--Three partner agencies posted related research reports on their websites. It is a good way to help LFUCG build background information about the organizations' service area, and to figure out how important these services are to the local communities. One organization provides “Neighborhood Demographics Report”,

showing the demographics composition of Lexington families which are in crisis. One organization establishes website pages to educate clients and donors by providing statistics gathered from related academic articles. The other one organization posted “Recovery Outcome Study Result” on the website, analyzing what gains their service has brought to the community and state. Among these three partner agencies, one directly used analysis result from academic papers. The other two used reliable data resource from independent academies, which improves integrity and validity to their analysis result. Their methodologies are not shown in the reports. However, for these two reports, the reliability of results is largely depended on the reliability of data resources.

There are five more organizations provided referral links for people seeking more data resources. Even though they did not provide direct research statistics, these referral links could show their effort on providing as much information as possible for clients and donors, and help convey their values and the importance of their service.

Privacy Policy--I found six organizations have an explanation of their privacy policies on their website. This shows their protection of clients and donors. Besides these six organizations, three organizations mentioned a privacy policy in their client intake form. This finding was of particular concern to the LFUCG Commissioner of Social Services who stated an intent to require all partner agencies to make privacy policies available on their web sites for clients’ review.

(3) Effectiveness Measurement

Measures of effectiveness are necessary to the level of program and also to the level of individual employees. The performance of programs and staff members need to be fed back into the mission and job requirements process so that the nonprofit agency could be involved in a continuous improvement process.²²

Program Evaluation-- For the twenty-one partner agencies, program evaluation information reporting is lack of consistency due to various indicators used in different reports. These agencies' program reports could be found on GoodGiving.net, IRS Form990, and in their own annual report. As I mentioned in the "Annual Report" analysis section, the information they use to describe their programs is not sufficient to be a complete evaluation report. Also, not all partner agencies made their annual report available to the public. A complete program evaluation report should contain basic description of the service, financial statement for this particular program, achievement statement (the number of clients they serviced), and the monitoring authority.

According to the program report in the portfolio on GoodGiving.net, ten partner agencies have certain authorities monitoring program success. Ten partner agencies provided information about their short-term success of each program, four of them gave very specific achievement data. Eleven partner agencies developed their expected long term success for each program, and four of them are very detailed. Only seven partner agencies provided the amount of budget allocated for each program.

²² Laura Langbein and Claire L. Felbinger, "Public Program Evaluation, a statistical guide", 2006, Page 22

Based on IRS Form990, all the twenty-one partner agencies have provided their three largest program services on IRS Forms, with program expenses and revenues. However, seven partner agencies did not provide the name of different programs, and did not describe the service provided in each program clearly. They did provide the total program expenses, but not the expenses allocation for each program.

I found it is difficult to find a complete program evaluation report for all the partner agencies. The public and the donors need to put all the available pieces together to establish a relatively thorough estimation about the partner agencies' effectiveness.

Staff Evaluation is formal reviews of the job performance of individual staff members. Based on the partner agencies' reports on GoodGiving.net, seventeen organizations claimed they have conducted staff member evaluation, at least annually. After contacted these organizations, none of the reports are available for the public due to extensive or personal information. However, I have received nine blank evaluation forms with evaluation instrument. More information is shown in Table 6. Among the nine forms I have, seven of them used a very specific evaluation instrument. Two of them also conducted self evaluation. Two organizations used subjective questions, which are easy for evaluators to gather various opinions; others used objective questions with request of subjective comment as supplement information. By doing this, evaluators could easily score staff members but it is possible the information they get is less detailed.

Table 6: Number of organizations which provide available staff evaluation data

Number of Nonprofits	Non-Management Evaluation
Conduct staff evaluation	17
--Evaluation instrument is available for the public	9
--Evaluation instrument is not available for the public	2
--Did not respond to public inquires	6
Do not report they conduct staff evaluation	4
Total	21

(4) Financial Measurement

Table 7 lists how many nonprofit organizations provided available financial data to the public. Fifteen organizations have independent accountants audit their financial statements according to their IRS Form990. Information for the last four aspects is gathered from GoodGiving.net, including basic financial information: total revenue and expense, revenue sources, expense allocation, assets and liabilities. And all the twenty-one organizations' information is available.

All organizations break their expenses into program, fundraising, and administration category. They all spend at least 65% of total expenses on program activities, and no more than 10% of related contributions on fundraising.

Table 7: Numbers of organizations which have available financial data

1.Independent Auditor's Financial Statements	15 organizations(as reported on Form990)
2.Total Revenue and Expense Prior Three Years	According to GoodGiving.net, All 21 organizations have provided these 4 aspects of financial reports.
3.Revenue Sources Prior Three Years	
4.Expense Allocation Prior Three Years	
5.Assets and Liabilities Prior Three Years	

Study Limitations:

This analysis was limited in several ways that should be noted.

When developing best practices of data reporting for nonprofit organizations, the opinions from various stakeholders should all be considered, especially organizations' staff and board members, and their clients. The staff and Board members are the persons most aware of what would help nonprofit organizations and the persons who are able to use these findings to improve services. And the clients are people who are seeking for help and know what kind of information are the most important to report from their perspective. Those opinions can help examine the practicality of the twenty data reporting practices. There should be more research conducted on gathering various opinions.

The twenty-one partner organizations vary from very small size to quite big size. Due to limitations on staff members, small organizations tend to report incomplete data, both on the data amount and data quality. Smaller budget also limited their program performance. Being compared with the quite big organization could be a little unfair for these small size nonprofits.

The Salvation Army has very strict protocol to share information with the public. They do not provide IRS Form990 to the public. Therefore, in this paper, I have to use the IRS Form990 of its national organization, not just for the Lexington unit. However, I tried my best to find proxy data about Salvation Army from other sources.

Conclusion:

After the best practices of data reporting for nonprofit organizations are identified according to literature review, I analyzed the data of the twenty-one Lexington partner agencies that received appropriations from the Urban County Council in FY2013. The research questions I tried to answer are: how much data from these nonprofits is actually available to the public, and what is the quality of these data.

For the first category-governance and oversight, all the nonprofits' information is available to the public. All of them did quite well on providing information about their governing body.

In terms of information material category, the organizations did great on data reporting in some aspects. All of these aspects are practices requiring basic information about the nonprofit organization. Half of them make their blank client intake form available to the public. On the contrary, they are weak on providing their impact statement about recent and detailed achievements. And most of the organizations' websites failed to provide annual reports, privacy policy and research report related to their service area.

With respect to the effectiveness measurement category, the program evaluation information provided by partner agencies is lack of consistency and with a lot of invalid information. For the seventeen organizations that developed staff evaluation, nine of them have considerable evaluation instruments and also make it available to the public.

This shows that these seventeen organizations have developed a defined process to evaluation staff effectiveness.

These nonprofit organizations did great on financial reporting, probably due to IRS's requirement in Form990. However, for the data reporting practices which are not required by law, the partner agencies' performance varies a lot in providing available data.

Recommendation:

After the summer project, LFUCG Commissioner of Social Services and the Urban County Council have already taken executive action to address several weaknesses of data reporting for partner organizations. The Commissioner has mandated the provision of privacy policies on agency websites, included program evaluation plans in application forms, and they are planning to pay more attention to whether the public can actually obtain the information that partner agencies say they have. At the end of this paper, I still have several recommendations that could help the Urban City Council get more valid information from nonprofits who want to be partner agencies

During my data collecting, I received one report form Carnegie Center, which is The LFUCG Partner Agency Quarterly Report #4 for FY 2013. The outcome evaluation requirement in this report contains output and outcome description, measurement approach, 4th quarterly progress towards outputs/outcomes, and cumulative (from 1st quarter to the 4th quarter) progress. This report also requires budget statement reflecting actual expenses allocation. This LFUCG's Partner Agency Quarterly Report has

comprehensive evaluation indicators, and quantitative measurements. For my recommendation, I suggest the Urban County Council extend the use of this report and require the nonprofit agencies, who want to apply for public fund, use this evaluation process to develop program effectiveness report. I also think it will be very helpful to make this report available to the public. So people could review the performance of these partner agencies.

Since these nonprofit agencies want funds from public tax dollars, it is more important for them to improve transparency for the public. They should be encouraged to provide planning reports and annual reports to the public upon request. Right now, there is a small percentage of partner agencies that develop these reports. Instead of focusing on individual success cases under each program, the annual report should provide more valid information about the results of formal program evaluation. For each agency, they should develop a complete impact statement report, keep their achievement description as detailed as possible, and make it available to the public on their website.

I also think it is important to improve the information consistency on every data resource. People who gather information from the organizations' website and people who use GoodGiving.net to get information may develop different impressions about the nonprofit organization. It is ideal that people do not have to put information pieces from different data resources together, but by looking into one data resource they can get more complete picture of each organization.

Appendix:

The table shows which partner agency claim that they have strategic plan, fundraising plan, which agency developed annual report, research reports, and privacy policy on their websites, which agency provided blank client intake form with public.

Partner Organization	Strategic Plan	Fundraising Plan	Annual Report	Client Intake Form	Research Reports	Privacy Policy
Sunflower Kids						
Bluegrass Domestic Violence Board	1			1		1
YMCA of Central Kentucky	1	1	1	1		
Bluegrass Technology Center						
Community Action Council	1			1		
The Nest-Center for Woman. Children & Families				1	1	1
Baby Health				1		
Bluegrass Rape Crisis Center	1			1	1	
Urban League for Lexington-Fayette County		1	1		1	
Kentucky Pink Connection	1	1		1		
Mission Lexington, Inc	1			1		
Moveable Feast Lexington, Inc		1				
Hope Center, Inc	1	1	1		1	
Kentucky Refugee Ministries- Lexington						
Prevent Child Abuse Kentucky	1		1	1		1
MASH Services of the Bluegrass, Inc						
Chrysalis House	1	1				1
The Salvation Army		1	1			1
Nursing Home Ombudsman Agency	1	1				1
Bluegrass Community Action			1	1		

Partnership						
Carnegie Literacy Center, Inc	1	1		1		

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