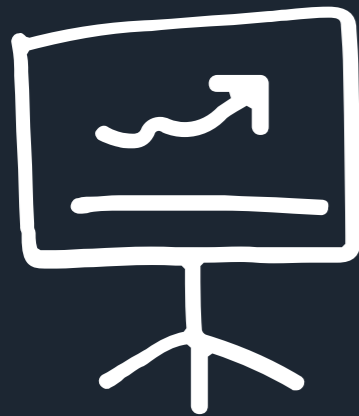
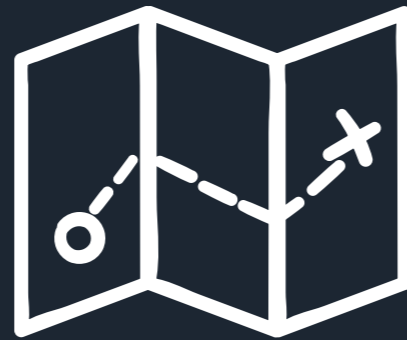


Charity impact practice: Funder perceptions and organisations' reporting practices

What do charity funders think about impact practice? How can they nurture such practices among grantees? Does impact reporting feature in trustees' annual reports and in/on additional voluntary media such as annual reviews/impact reports? And if so, what type of information do charities appear to disclose?

We highlight some of the main research findings from a study that engaged with funders to understand their perceptions of charity impact practice, and analysed documents and websites from 21 charities to examine their disclosure practices.



1. DO CHARITY FUNDERS VALUE IMPACT INFORMATION?

They do indeed, especially because some are seeking to capture their own impact on society. As a consequence, impact practice is often a feature of grant application processes – from enquiry level right through to grant acquittal.

2. HOW CAN FUNDERS ASSIST CHARITIES WITH THEIR IMPACT PRACTICE?

Funders appreciate that charities, particularly smaller organisations, may find it difficult to engage with impact. We encourage funders to steer charities' practices through targeted questions and guidance in their pro-forma applications, interim reporting, and acquittal forms. Reporting expectations should also be proportionate to the level of funding provided. Further, funders can supplement restricted funding for charitable interventions with unrestricted funding to build capacity – including engagement with impact practice.

3. DO CHARITIES DISCLOSE IMPACT IN THEIR TRUSTEES' ANNUAL REPORTS?

Almost two-thirds of the charities in our sample reported the impact of their interventions, although it was less common than other performance measures such as outputs and outcomes data. Charities also devoted less physical space to their impact information compared to information for other performance measures. Further, some charities appeared to be 'incidental' reporters, which is to say they unexpectedly documented impact information when reporting on case studies of, or testimonials from, service users.

4. DO CHARITIES USE ALTERNATIVE MEDIA TO REPORT ON THEIR IMPACT?

While some charities prepare additional documents such as annual reviews and impact reports (sometimes published only on charity websites), the trustees' annual report is the mainstay of impact information in that more charities use this medium to report their impact. However, the relative volume of impact disclosures in the trustees' annual reports is lower than that in additional voluntary documents.

5. WHAT FORM DOES THE IMPACT INFORMATION TAKE?

While charities tend to use both qualitative and quantitative information to report on their impact, emphasis is on the latter.

6. HOW CAN CHARITIES ENHANCE THE INTEGRITY OF THEIR REPORTING?

Recognising the complementary relative values of qualitative and quantitative information, a more balanced approach to impact disclosure will enhance the authenticity of impact reporting. Similarly, clarity over charities' use of validated instruments to collect impact data, details of the impact processes followed or assurance of such practices could enhance the legitimacy of organisations' impact practice.