



YOUNG AMERICA'S FOUNDATION'S
Standards of Excellence

*Maximizing Accountability &
Honoring Donor Intent*



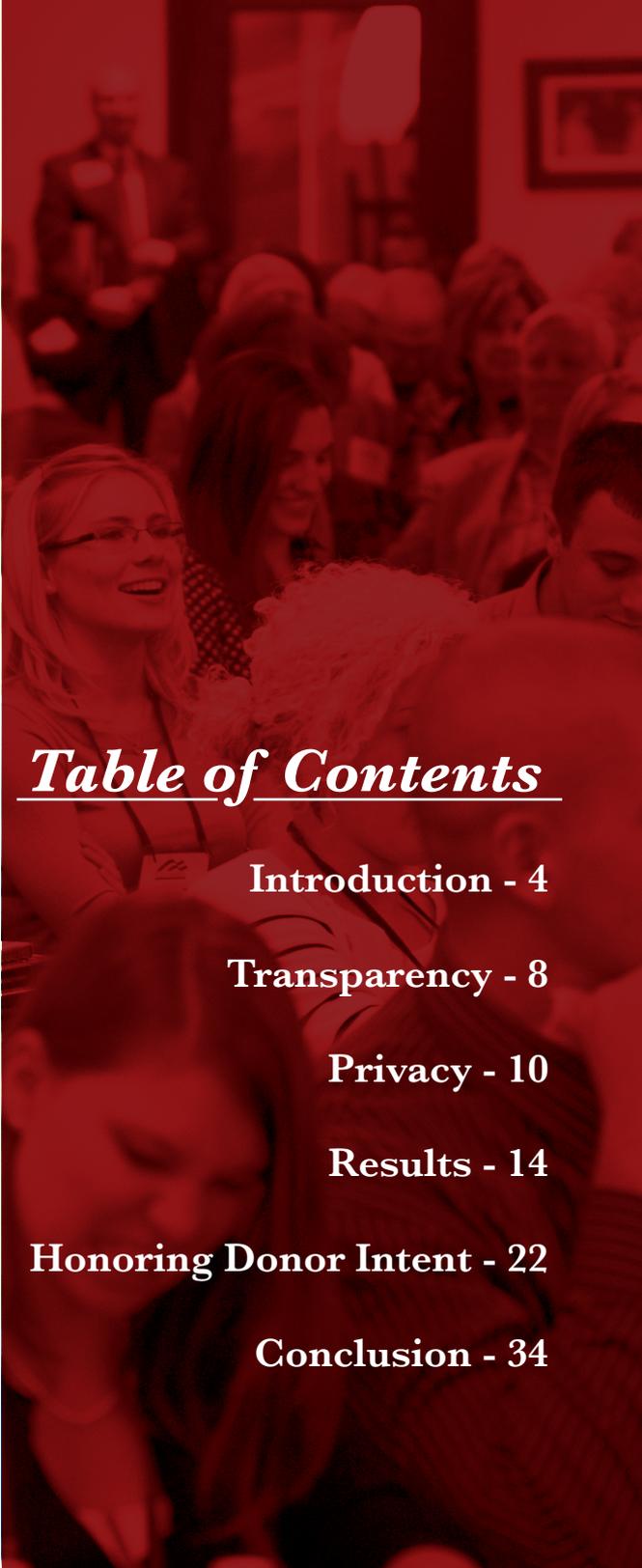


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INTRODUCTION

Young America's Foundation deeply appreciates the generosity of hundreds of thousands of Americans who support our youth outreach activities at the Reagan Ranch and across the country.

We hold ourselves to the highest standards of excellence because we take our responsibility of shaping America's future leaders seriously. Our country's future is at stake. Anything less than our best performance would jeopardize the advancement of freedom.



We know our supporters have questions about the impact of their giving and our programs, financial management, and operations.

This booklet is designed to answer the questions most commonly asked by our supporters. Please feel free to contact Kimberly Martin Begg, Esq., vice president and general counsel, at **800-USA-1776** or kbegg@yaf.org for more information.

Standards of Excellence: A Summary

Transparency

- ✓ Provides current reports on programs as they happen, throughout the year
- ✓ Invites media to attend and report on events
- ✓ Provides IRS Form 990 and audited financial statements online
- ✓ Issues an annual report
- ✓ Uses organization's photographs, not stock images
- ✓ Encourages supporters and their legal and financial advisors to visit offices and attend programs
- ✓ Welcomes questions asked by supporters and their legal and financial advisors

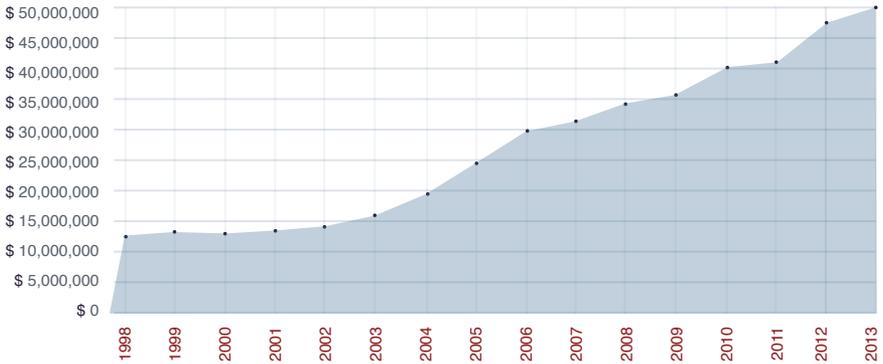
Privacy

- ✓ Protects confidential donor information
- ✓ Protects confidential student information
- ✓ Does not publish confidential donor information online
- ✓ Does not publicize gifts against a donor's wishes
- ✓ Attains consent of students/parents before publishing photos

Results

- ✓ Thinks creatively and dreams big, inspired by America's great entrepreneurs
- ✓ Manages ambitious projects and maintains a consistent track record of doing so
- ✓ Accomplishes goals not being realized by other groups
- ✓ Achieves and reports on results regularly

YOUNG AMERICA'S FOUNDATION'S NET ASSETS



Honoring Donor Intent

- ✓ Receives no government funding, so Americans are not forced to support Young America's Foundation via coerced tax dollars
- ✓ Invites new participants to become involved with Young America's Foundation instead of restricting support to a privileged few
- ✓ Receives broad-based grassroots support
- ✓ Avoids telephone solicitation
- ✓ Uses free enterprise practices, commonly used by for-profit businesses, to maximize effectiveness
- ✓ Produces a track record of fulfilling supporters' wishes
- ✓ Offers and honors a variety of giving and recognition options



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TRANSPARENCY



Q: *There are many nonprofits claiming to do good work to help worthy causes. How do I know you do the work you say you do?*

A: We make it easy to learn more about Young America's Foundation!

We report on our programs through our magazine, *Libertas*, as well as our website, yaf.org, which is updated regularly with an upcoming calendar of events, live and archived video from events, and the *New Guard* blog featuring current stories about student leaders across the country. When you review our materials, you will notice we do not use stock images. We use pictures of real students participating in current Young America's Foundation programs.

We also invite media to our events, so the public can learn about Young America's Foundation through the independent perspective of journalists across the country. C-SPAN, Fox News Channel, *Breitbart.com*, *Santa Barbara News-Press*, and other media outlets frequently cover our events and programs.

In addition, we issue an annual report; provide our Form 990 and audited financial statements online; encourage supporters and their legal and financial advisors to attend our programs and visit the Reagan Ranch, Reagan Ranch Center, and our headquarters office; and welcome questions asked by our supporters and their legal and financial advisors.



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PRIVACY



Q: Leftist activists increasingly harass and intimidate Americans who lawfully support conservative causes. Sometimes the Left obtains confidential donor information by illegal means. Other times, the Left receives help from so-called “watchdog” groups that pressure conservative organizations into waiving the constitutional rights confirmed by the Supreme Court in NAACP v. Alabama.

My policy is not to support groups that voluntarily violate my privacy rights. I am especially concerned about the trend of publishing confidential donor information online. Do you publish the names of your supporters online?

A: No. Young America’s Foundation does not publish our supporters’ names online.

We are aware of the efforts of purportedly neutral “watchdog” groups that pressure conservative organizations into violating their supporters’ trust in this way. The tactic used by these outside evaluators is to threaten to give a poor rating to groups that fail to disclose this confidential information.

It can be tempting for groups to succumb to this pressure—because no group wants to be rated poorly by an outside evaluator—but at Young America’s Foundation, we are fully committed to protecting our supporters’ privacy and preserving their trust.

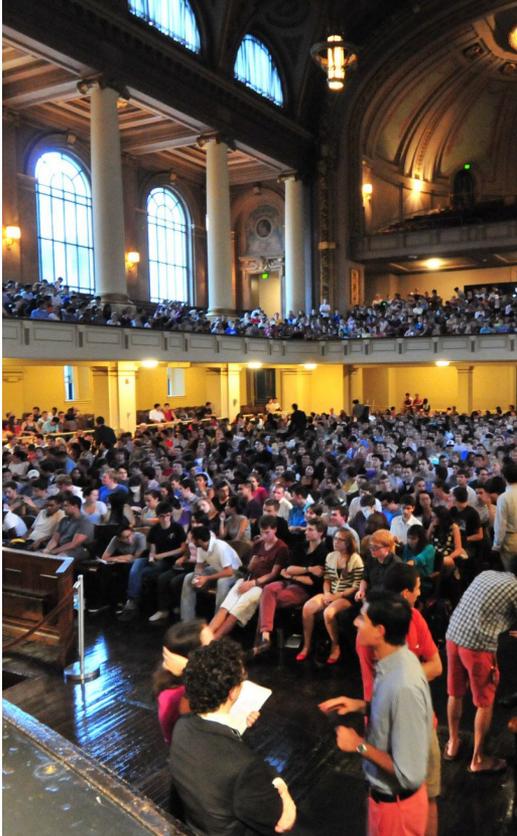
Q: What other measures do you take to protect the privacy interests of your students and supporters?

A: Young America's Foundation shares the concerns of many conservatives who are anxious about being harassed and intimidated by activists pursuing the far-Left agenda. We take specialized measures to protect the privacy interests of our students and supporters.

In addition to not publishing confidential donor information online (please see previous question), we also respect the wishes of supporters and students who want to remain anonymous in other ways. We honor the wishes of supporters who prefer to contribute anonymously by not listing their names on Freedom Wall (our supporter recognition wall at the Reagan Ranch) or otherwise recognizing or publicizing their support. We honor the wishes of students/parents who prefer to discreetly participate in our programs by not publishing their names and photographs in publications and other materials. We specifically attain consent of students/parents before using photographs of them in our materials.







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RESULTS



Q: *Many groups raise money to accomplish projects—for example, creating new programs, defeating leftist initiatives, or even impeaching bad leaders—and then fail. How do I know you will accomplish your project goals?*

A: Young America’s Foundation has a long track record of accomplishing ambitious projects that set us apart from other groups. These include, but are not limited to:

- Saving the Reagan Ranch.
- Creating the Reagan Ranch Center as America’s “Schoolhouse for Reaganism.”
- Developing the largest conservative campus lecture program in the country.
- Establishing the longest-running national conservative conference for college students.
- Creating the first and only conservative conferences especially for high school students.
- Operating the only 12-week conservative training and media internship program for aspiring journalists.

You can count on Young America’s Foundation to continue to accomplish project goals we ask our supporters to help us achieve.

Q: Young America's Foundation is widely respected as the Conservative Movement's largest and most effective youth outreach organization. What sets you apart from other groups and makes you effective? How do I know you will continue to be effective in reaching young people?

A: Young America's Foundation's mission is to reach increasing numbers of young Americans with the ideas of individual freedom, national sovereignty, free enterprise, and traditional values.

We advance our mission by providing young people with breakthrough programs, including national conferences for high school and college students, Young Americans for Freedom chapters, leadership programs at the Reagan Ranch and Reagan Ranch Center, National Journalism Center media internships, Center for Entrepreneurship & Free Enterprise initiatives, and the largest campus lecture program in the Conservative Movement.

Our programs are specifically designed to recruit and develop young leaders who will advance conservative causes throughout their lives.

Here are just a few strategies we have developed from our more than 50 years of experience that set us apart from other groups:

- We work closely with hundreds of Young Americans for Freedom members, but we also work with student leaders who are organized under different club names on their campuses. This allows us to reach more young people than

those groups that only help students who form clubs in their group's name.

- We routinely work with a large variety of speakers to address multiple pressing issues of the day. This also translates into longstanding relationships with speakers who charge YAF little to no honoraria for their efforts, thus leveraging the support of our important donors.
- We partner with high-profile speakers capable of drawing large crowds at schools. When we first began our campus lecture program, other groups used less dynamic, professor-type speakers. The result was that only a handful of dedicated young conservatives would attend. We dramatically changed the landscape of campus lectures by partnering with exciting, big-name speakers capable of drawing audiences of 500 to 4,000 students at one time. Young America's Foundation's lectures are often the largest events at a school in a given semester.
- We give young people the life-changing opportunity to be inspired at exciting leadership programs at the Reagan Ranch and Reagan Ranch Center. There is no other facility in the Conservative Movement that gives parents as much comfort and confidence in sending their children to a program away from home.

- As Claire Driscoll, a high school student from the state of Washington, told us: *“[Visiting the Reagan Ranch] really made me feel like I came to understand Reagan on a more personal level. Being at the Ranch and seeing the extreme modesty of his life really helped me connect his morals and values with his leadership.”*
- Young America’s Foundation is the only Conservative Movement organization preserving a historic site as a Presidential property and place to inspire future generations with ideas of freedom.

We are constantly re-evaluating, testing, and improving our approach to maximize our effectiveness in recruiting and developing emerging young leaders and to ensure our future success.





Q: *How many students do you reach? Are they active participants or just names on a spreadsheet?*

A: More than 500,000 people attend our conferences, seminars, lectures, and other events every year. This number does not include the young people reached through campus initiatives that are not events (for example, we do not include the thousands of people to whom YAF students distribute conservative materials at their schools) or through traditional or social media.

Many supporters of non-profit organizations are skeptical of numbers reporting, and for good reason. Too many groups—often pressured by outside evaluators or previous year’s numbers reporting—inflate their numbers and lose focus on the actual impact of their work. For example, some groups:

- Include in their annual tally names collected on petitions that have no further involvement with the group.
- Create multiple clubs with different names, in order to count each name multiple times.
- Offer limited advice to already-established campus groups (including YAF chapters) and then include every subsequent activity and attendance figure in their annual accomplishments tally.

Some groups even count every individual who walks through a building as someone who has been impacted by their work.

Young people do not just “walk through” Young America’s Foundation’s programs—they have “life-changing” experiences that transform them into student leaders and lifelong activists for the cause of freedom.

As **Katie Pavlich**, Fox News contributor and best-selling author, said:

“Young America’s Foundation changed my life. I was one of those college kids who had no idea what field I should have gone into until I went to my first YAF conference in 2012... I immediately knew I wanted to do something that made a difference.”

We recruit and inspire the new talent that is essential to the freedom movement’s success as a whole.

Our graduates serve in virtually every other Conservative Movement group, including:

- **Heritage Foundation,**
- **American Enterprise Institute,**
- **Federalist Society,**
- **Media Research Center,**
- **State Policy Network,**
- **Hillsdale College,**
- **American Conservative Union,**
- **Alliance Defending Freedom,**
- **Citizens United Foundation,**
- **Hoover Institution,**
- **Leadership Institute,**
- **Fund for American Studies,**
- **Clare Boothe Luce Policy Institute,**
- **Cato Institute,**
- **National Rifle Association,**

and many others, including hundreds of media outlets, state policy groups, and state and federal legislative offices.

Our alumni launched and/or serve as the heads of many of the groups listed above.

Our publications feature many prominent graduates of our programs who have made names for themselves as rising stars, many of whom “give back” by speaking at YAF’s programs to help build the next generation of leaders.

And for every alumnus whose name is well known, there are thousands more who live private lives, raising conservative families and giving a voice to conservative ideas as leaders in their communities.



“Young America’s Foundation changed my life. I was one of those college kids who had no idea what field I should have gone into until I went to my first YAF conference in 2012... I immediately knew I wanted to do something that made a difference.” - Katie Pavlich



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HONORING DONOR INTENT

Q: *My policy is to never make “extra” gifts to non-profits that receive government funds, because they already receive my support through coerced tax payments. Do you receive government funds?*

A: No. Young America’s Foundation receives no government funding. *And we never will.*

Every cent we receive is given voluntarily by Americans who share our love of freedom.

It is disconcerting that many so-called “watchdog” groups downgrade non-profits that receive no government funding. These watchdog groups use algorithms and



ratios that favor organizations that receive government funds and are therefore not accountable to individuals who support their work voluntarily.

Charity Navigator, an online resource that rates more than 7,000 non-profits, is especially punitive toward groups that do not receive government grants. Of the 2,317 charities to which Charity Navigator awards 4 stars (its highest rating), 55% receive government money. Six of the ten charities listed on Charity Navigator’s “10 Charities with the Most Consecutive 4-Star Ratings” list receive government funding. Many of them receive a significant amount of their revenue from government grants—three of the ten organizations receive more than 50% of their funding from the government! One of the organizations that has been rated a 4-Star charity by Charity Navigator for thirteen years received 82% of its revenue from government grants in 2012!

Charity Navigator’s bias in favor of government-funded groups is rooted in its leadership. A researcher recently found that 100% of the rated charities that could be identified as affiliated with Charity Navigator’s leadership (meaning, Charity Navigator’s leadership serves or served on the charities’ board of directors or staff) receive government grants. In fact, the total amount of government grants received by organizations affiliated with Charity Navigator’s leadership exceeds \$1 billion!

Q: I prefer to support groups that receive broad-based, grassroots support, rather than funding from one or a handful of large donors. Where does your funding come from and how do you communicate with the individuals who support your work?

A: Young America's Foundation receives broad-based, grassroots support from hundreds of thousands of Americans! We communicate with our supporters through the mail because it is the most cost-effective way to share materials, report on our programs, encourage conservative families to send their children and grandchildren to our programs, and raise the necessary funds to advance our mission.

We never solicit donations over the phone—despite the low cost of phone calls—because our supporters



generally do not like to be solicited over the phone. We respect our supporters' wishes.

Direct mail helped build the Conservative Movement—and helps maintain it today—by enabling conservative groups to bypass the mainstream media to share information and distribute materials to hundreds of thousands of Americans. Direct mail empowers conservatives across the country to participate in the public policy process by making gifts to support worthy groups and causes.

The Left uses a different model. Billionaires including George Soros, Tim Gill, Jon Stryker, and others contribute hundreds of millions of dollars to leftist groups, thus eliminating the need for these groups to solicit or maintain grassroots support.



So-called “watchdog” groups prefer the Left’s model. They downgrade groups that incur costs by communicating by mail. They also inaccurately inflate fundraising costs by groups that communicate by mail by deviating from Generally Accepted Accounting Principles (GAAP) and manipulating the financial information groups report to the IRS in the Form 990.

A sampling of 16 conservative groups shows an 8% discrepancy between conservative groups’ actual fundraising expenses (which were an average of 13% as reported on their Form 990s, which were prepared in accordance with GAAP and reviewed by independent auditors) and those arbitrarily adjusted by Charity Navigator (which were an average of 21%, earning these groups an average rating of only 2.5 out of 4 stars). This is the accounting equivalent of “photoshopping” a federal document.

Charity Navigator’s bias in favor of the Left’s model is rooted in its leadership. A researcher recently found that none of the rated charities that could be identified as affiliated with Charity Navigator’s leadership (meaning, the leadership serves or served on the charities’ board of directors or staff) use joint allocation (an accounting practice approved by GAAP to account for direct mail costs). This strongly suggests that the groups affiliated with Charity Navigator’s leadership do not communicate with hundreds of thousands of grassroots supporters by mail as many conservative groups do.

It seems there is a covert plan for publicly perceived watchdog groups to tarnish conservative non-profits under the veil of impartiality.



Q: I prefer to support conservative groups that use free enterprise strategies, commonly used by for-profit businesses, to compete with the Left. As the liberal think-tank Center for American Progress (CAP) warned, “Conservative organizations are spending between three times and four times more money each year on their programs and staff than their counterparts on the left.” Is Young America’s Foundation one of the organizations about which CAP warns leftist activists in this statement?

A: Yes. CAP’s report bemoans the success of conservative charities’ free enterprise strategies, including maintaining a professional staff, owning property, and making long-term investments in infrastructure, commonly used by

for-profit businesses. Young America's Foundation's use of these strategies has been critical to our success in becoming the largest and most effective youth outreach organization in the Conservative Movement and the only group providing for the long-term protection of the Reagan Ranch.

Conservatives should pay attention to CAP's warning and the success of Young America's Foundation and other groups because the very strategies that leftist organizations cite as strengthening the Conservative Movement are the cause of downgrades from so-called "watchdog" groups!

For example, so-called "watchdog" groups use a "the lower, the better" assumption about staff salaries that encourages groups not to invest in a skilled, professional, full-time staff. This assumption defies research that shows that paying competitive salaries helps non-profits attract and maintain hard-working, creative, and competent employees capable of advancing their missions.

So-called "watchdog" groups also downgrade non-profits for investing in fundraising and revenue growth, without regard for why particular groups make certain investments in a given year. Dan Pallotta, the CEO of a non-profit that raised \$445 million for AIDS research, warns that this "anti-long-term investment" approach "forces non-profit organizations to go without the things they really need to grow in the interest of keeping overhead low."



Q: Disrespect of donor intent has been a major problem for conservatives trusting their giving to grant-making foundations, community foundations, colleges and universities, and other institutions that promise to fulfill a donor's wishes. How do I know Young America's Foundation will honor my intent?

A: Disrespect of donor intent is indeed a major problem for conservatives.

The individuals who established many of today's largest foundations—including Henry and Edsel Ford, John D. Rockefeller, Andrew Carnegie, and others—sought to spread prosperity by advancing their ideas of free enterprise, self-reliance, and limited government. Sadly,

the foundations that bear their names give hundreds of millions of dollars every year to causes that undermine their values.

More recent examples of conservatives establishing community foundations and family foundations show that trusting others to make decisions about how to spend your money can be disastrous, even when “best practices” are used to mitigate the risk of abuse.

Unfortunately, making a gift during life is no guarantee that donor intent will be honored. Too many conservatives support institutions with no track record of supporting conservative ideas, in order to establish conservative programs, only to be disappointed by the leftist interpretation of their wishes. This is especially problematic at colleges and universities. Conservatives should be warned that schools that are fully funded and are not already leaders in promoting conservative ideas are unlikely to abandon leftist teachings because of a gift.

Young America’s Foundation is strongly committed to honoring donor intent. We are among the safest investments in the Conservative Movement because:

- We have a track record since the 1960s of building young leaders and advancing conservative ideas.
- Our close association with Ronald Reagan, William F. Buckley, Milton Friedman, and other luminaries connects our history and future work to their ideas and cannot be erased.
- Our preservation of the Reagan Ranch and operation of the Reagan Ranch Center,

America's "Schoolhouse for Reaganism," further connects our history and future work to President Reagan's ideas.

- Our financial strength (we have net assets of \$50 million) and preservation of a Presidential property (organizations that preserve other Presidential properties continue to grow and advance their missions) strengthens our position as the leading youth outreach organization in the Conservative Movement.

As an additional protection of donor intent, many supporters appreciate the opportunity to develop a formal Letter of Intent with Young America's Foundation. We offer a variety of giving and recognition options. Please call Kimberly Martin Begg, Esq., vice president and general counsel, at **800-USA-1776** for more information about how to provide further guidance for the use of your support.



Q: *You have identified several causes for concern relating to Charity Navigator and other so-called “watchdog” groups. How do you recommend I evaluate Young America’s Foundation and other groups I support?*

A: Young America’s Foundation is one of many conservative groups becoming increasingly concerned about Charity Navigator’s biased ratings and growing influence.

Our leadership made the decision several years ago not to highlight our 4-star rating from Charity Navigator (the highest rating) because doing so would endorse a flawed system. As of the publication of this booklet, Charity Navigator gives us a 3-star rating (out of 4). But a good result for us does not justify endorsing a group with an institutional bias against conservatives. Besides, any so-called “watchdog” group that uses flawed metrics will generate flawed rating over time. Just ask the many 2-star groups that once celebrated 3- and 4-star ratings!

Supporters of non-profit organizations should be encouraged to do due diligence to identify effective groups worthy of their investments. But Charity Navigator’s “one-click” analysis of more than 7,000 organizations is as misleading as it is convenient. This is especially true for conservatives who are cautioned against supporting some of the Conservative Movement’s most effective groups advancing freedom.

As Ron Robinson and Nicole Hoplin caution:

In our book, Funding Fathers: The Unsung Heroes of the Conservative Movement, we document breakthrough gifts that spread free enterprise principles; initiated or sustained successful educational institutions including Hillsdale College, the Heritage Foundation, the Mont Pelerin Society, and Young America's Foundation; formed influential publications and publishing houses including National Review and Regnery Publishing; and launched successful careers including those of Barry Goldwater and Ronald Reagan. These gifts vastly increased freedom at home and abroad.

We note that few of the donors who made these transformational gifts relied upon information from established charitable rating organizations before making their gifts. In fact, it is likely that few, if any, of the recipients of these gifts would meet today's standards established by the Better Business Bureau, Charity Navigator, Charity Guide, or the American Institute of Philanthropy. Regardless, the "unapproved" recipients have become the institutions and leaders who propelled the modern day Conservative Movement to the national forefront.

Conservatives should be encouraged to evaluate groups based on free market principles that focus on accomplishments, not "inputs" important to leftist theorists.



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CONCLUSION



We encourage all conservatives interested in supporting Young America's Foundation with a current or planned gift to review our more than 50-year track record of building conservative leaders. We encourage you to attend our events; send young people in your life to our programs; visit the Reagan Ranch Center; meet our leadership; and read regular updates on our students and programs through our publication, *Libertas*, and our website.

You and your financial and legal advisors should feel free to call our headquarters at **800-USA-1776** and ask for Kimberly Martin Begg, Esq., vice president and general counsel. We welcome the opportunity to answer your questions to help you make an informed decision about your giving.

We deeply appreciate the great patriots who invest in Young America's Foundation. Your support gives young people the opportunity to understand conservative ideas and lead America in freedom.



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