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EVALUATING PUBLIC BENEFIT ORGANIZATIONS IN POLAND WITH THE EVAMIX METHOD FOR MIXED DATA

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Abstract

The third sector and public benefit organizations (PBOs) play a significant role in the Polish economy. Although the third sector can boast of a long history in Poland, an intensive development of these entities has been observed since 1989. According to the current law, organizations with the public benefit status enjoy numerous benefits. This entails the need to adequately assess their activities, especially when taking into consideration the fact that they are not profit-oriented.

The aim of this paper is to propose a new assessment method for evaluating PBOs. The recommended approach is based on multi-criteria decision aiding (MCDA). The procedure proposed employs the EVAMIX technique for mixed evaluations – a hybrid of the EVAMIX method and the EVAMIX method with stochastic dominance (SD) rules. An illustrative example uses eleven PBOs from Lodz Voivodeship operating in the field of ‘Ecology, animals and heritage protection’.

Keywords: Public Benefit Organization (PBO), Non-governmental Organization (NGO), annual performance report, financial report, decision analysis, MCDA, mixed data, EVAMIX method for mixed evaluations.

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1 Introduction

In modern democratic countries the broadly defined economic activity may be divided into three sectors. The first sector includes public administration, the second comprises profit-oriented institutions and organizations, and the third sector consists of non-governmental organizations (NGOs).

The third sector in Poland has a long tradition, but it has been developing more intensively since 1989. While certain regulations concerning NGOs had existed prior to that date, it was only after the collapse of communism that the unhindered development of the third sector organizations was possible (Borowiecki, Dziura, eds., 2014). According to the data provided by Poland's Main Statistical Office (GUS), there were about 27,400 registered non-profit organizations in 1997, about 67,500 in 2005 and about 100,700 in 2014 (GUS, 2009; GUS, 2016).

A special type of the third sector entity – the public benefit organization – was created in 2003 by the Polish legislators. Since these organizations are of great importance to society, they are granted many benefits, and the main benefit is the right to collect funds originating from 1% of personal income tax paid. Polish taxpayers have the right to donate part of their income tax liability to support a public benefit organization of their choice (Piechota, 2015). This benefit is the main way of supporting public benefit organizations. In 2005 PBOs received 42 million PLN from the 1% of the personal income tax paid, in 2009 it was 380 million PLN, and in 2014 the amount raised was 509 million PLN (which is twelve times as much as in 2005). The number of taxpayers who decided to donate 1% of their tax has also increased in the analysed period: in 2005 it was 0.7 million, in 2009 – 7.3 million and in 2014 – 12 million of taxpayers (GUS, 2015).

Taking into account the increasing role of the third sector organizations and public benefit organizations in Poland, it is very important to present and assess the effects of their work. In this paper we propose a tool for assessing the performance of public benefit organizations. These are the so-called non-profit organizations. Our tool is based on multi-criteria decision aiding, namely on the EVAMIX method with stochastic dominance rules (Górecka, 2010; 2012) since a number of factors need to be considered to properly evaluate such entities, and values of performance measures are not necessarily given deterministically. On the one hand, we hope that our tool will complement the existing literature. The problem of assessing non-governmental organizations has already been analysed also by e.g., Waniak-Michalak (2010), Waniak-Michalak and Zarzycka (2012; 2013; 2015), and Dyczkowski (2015b). On the other hand, our tool may possibly have some impact in practice: it could facilitate the decision to donate 1% as well as create reliability of and trust in those entities, which also depends on the

transparency of activities evaluated by an adequate assessment method. Furthermore, many public benefit organizations obtain funds from local self-governments or central administration. These institutions could use the proposed method in the process of selecting candidates (organizations) to be delegated certain tasks financed with government grants and subventions.

The paper contains an introduction, three sections, and a conclusion. In the second section we present information on the public benefit status in Poland. Section three presents the proposed evaluation procedure for PBOs including a description of the EVAMIX method for mixed evaluations. In section four a case study and results of applying the MCDA approach are presented.

2 Public Benefit Organizations in Poland

The collapse of the communist system and the shift to the market economy in 1989 started a new period for the third sector in Poland. At the beginning non-profit organizations focused on the social and economic consequences of the transformation such as diminishing public social welfare provisions, unemployment and poverty. One should also emphasise that Polish NGOs did not affect significantly the political, social and economic reforms which were being implemented then (Leś, 1994 after: Leś et al., 2016).

Since 2003 work on a special status for non-profit organizations – public benefit organizations (PBOs) – have been conducted. This was related to the introduction of the Act of law of April 24th, 2003 on Public Benefit and Volunteer Work. This Act includes two important definitions: of the non-governmental organization and of the public benefit activity. According to the Act, non-governmental organizations are corporate and non-corporate entities, which are not part of the public finance sector and which do not operate for profit, including foundations and associations with the exception of political parties, trade unions and organizations of employers, professional self-governing authorities, and foundations formed by political parties (Act of law..., art. 3).

Non-governmental organizations are allowed to perform a public benefit activity which is understood as an activity that is focused on the benefit of society in the field of public tasks. The legislation indicates 37 areas of public activity, for example, social assistance, charity work, preserving national traditions, ecology, animal protection, protection of natural heritage, etc. (Act of law..., art. 3.1, 4.1).

Individual non-governmental organizations acting for public benefit may apply for the public benefit status. An appropriate entry to the National Court Register is needed in order to obtain this status. Moreover, according to the 2010 amendment of the Act, the organization has to submit evidence of its operations for public benefit for at least two years, before it applies for the public benefit status (Żak, 2012).

Entities obtaining the public benefit status gain also certain benefits regulated by the Act on Public Benefit and Volunteer Work. Those benefits facilitate the organization's activity which is generally accepted by society since the organization's activity is focused on the benefit of society. The most important benefits are the following (Act of law..., art. 24, 26, 27; Żak, 2012):

- tax exemptions as regards corporate income tax, property tax, tax on civil law transactions, stamp duty, court fees, as regards public benefit work performed by this organization,
- the right to use property owned by the State Treasury or by local self-government units, on preferential terms,
- free of charge promotion in public media: time in public radio and television to inform the general public of their activities,
- the right to receive 1% of the personal income tax, which may be used solely for public benefit work.

On the one hand, public benefit organizations are granted certain benefits, which, however, necessitate the need of transparency in those entities. From the moment of obtaining the public benefit status, organizations are obliged to fulfil reporting standards indicated by the law. Public benefit organizations must (Act of law..., art. 23): 1) prepare an annual financial report, 2) prepare an annual performance report, 3) make their financial and performance reports publicly available, 4) publish the accepted reports (financial and performance) on the website of the office of the minister competent for social security by July 15 (or 15 days after it is approved).

Information presented in annual reports is one of the most important bases for the assessment of public benefit organizations. As for the annual financial report, the relevant legislation is included in the Accounting Act of 29th September 1994. The Annual Financial Statement consists of the balance sheet (assets and funds of the public benefit organization), the income statement (the difference between the obtained income and expenses), the introduction to the financial statement and additional information.

Public benefit organizations also have to prepare an annual performance report. The law in force (since 2013) says that if the income of a public benefit organization does not exceed 100,000 PLN, this entity may prepare a simplified annual performance report. It should contain basic data on the organization, the type of its public benefit and business activities, its income and expense, number of its employees and their salaries, the number of its members and volunteers, income received from 1% of personal income tax and the way it was spent, administrative costs, other benefits that the entity made use of, and tasks commissioned by public bodies. The unabridged annual performance report includes ad-

ditional information on the organization, such as its statutory goals and their realization in the reported year, more detailed information on the income gained and expenses, public tenders realized, and financial statement audits. The annual performance report form is set out in the Regulation of the Minister of Labour and Social Policy of February 12th 2013 on the specimen of the annual performance report and the annual simplified performance report for public benefit organizations.

3 The proposed procedure for evaluating PBOs

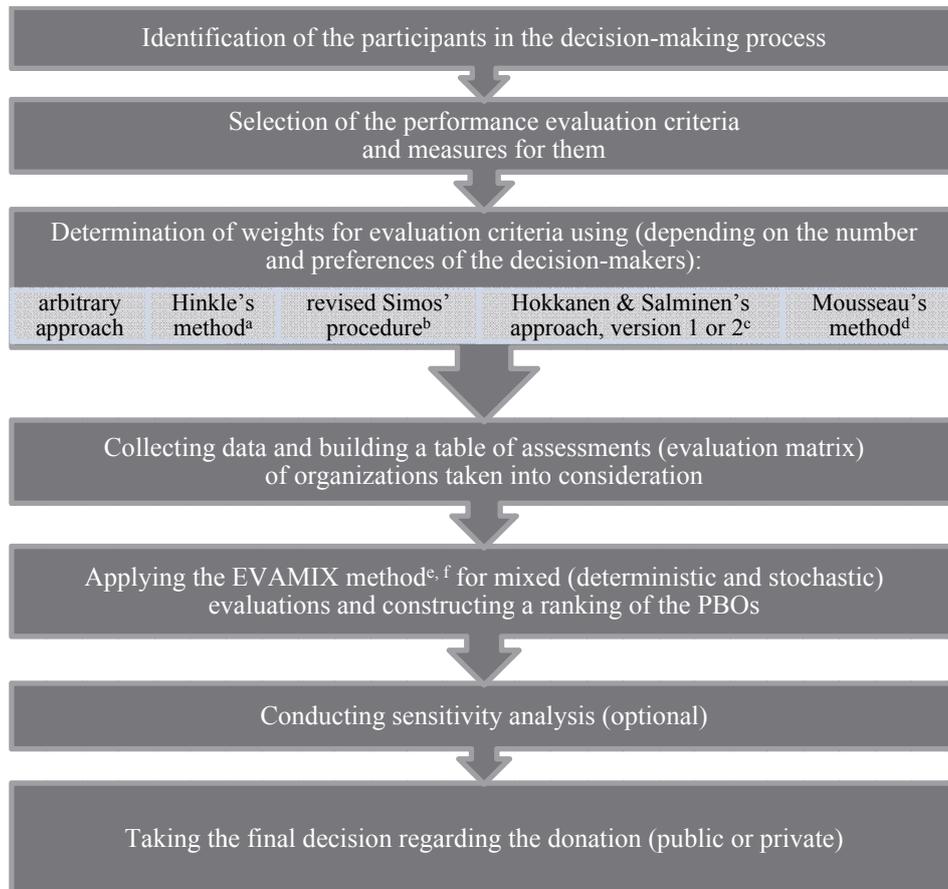
Responding to the need to develop a system for assessment and ranking public benefit organizations, for instance to help donors decide where to give their money or to determine the best and the worst entities for public co-financing, a procedure presented in Figure 1 has been proposed. In the process of developing it, advantages and disadvantages of various MCDA techniques (see Górecka 2010; 2011; 2013) have been taken into account as well as the fact that data used for evaluation will be partly qualitative and partly quantitative, and, additionally, at least some performances of alternatives (PBOs) will be evaluated in a probabilistic way.

The case of mixed data is not frequently considered in the literature and MCDA methods accepting different types of evaluations (e.g. deterministic, stochastic and fuzzy ones) are rather rare and not very well known. One multi-criteria model that can be applied in such a situation is called NAIADE (see Munda, 1995; Munda et al., 1995); another one is called PAMSSEM (see Martel et al., 1997; Guitouni et al., 1999). Mixed evaluations were also considered by Zaras (2004) and Ben Amor et al. (2007). In the procedure proposed here the EVAMIX method for mixed evaluations is employed, which is a hybrid of the EVAMIX method (see Voogd, 1982; 1983) and the EVAMIX method with stochastic dominance rules (see Górecka, 2010; 2012).

In the EVAMIX method, proposed by H. Voogd (1982), the qualitative and quantitative data are distinguished and the final appraisal score of a given alternative is the result of a combination of the evaluations calculated separately for the qualitative and quantitative criteria.

In this paper it is assumed that the performances of alternatives (PBOs) are given in a deterministic and stochastic way, and that the decision-maker(s) are risk-averse. Thus, if the evaluations are stochastic, we will use FSD/SSD¹ (see Quirk, Saposnik, 1962; Hadar, Russel, 1969) and AFSD/ASSD rules (see Leshno, Levy, 2002) for modelling preferences with respect to criteria measured on a cardinal scale, and OFSD/OSSD (see Spector et al., 1996) and OAFSD/OASSD rules (see Górecka, 2009; 2014) in the case of criteria measured on an ordinal scale.

¹ If a decision-maker has also a decreasing absolute risk aversion, then the TSD rule (see Whitmore, 1970) should be additionally applied.



a) see Hinkle (1965); Rogers, Bruen (1998); b) see Figueira, Roy (2002); c) see Hokkanen, Salminen (1994; 1997); d) see Mousseau (1995); e) see Voogd (1982; 1983); f) see Górecka (2010; 2012).

Figure 1. Procedure recommended for evaluating PBOs

We assume that two situations can be considered when preferences are modelled with respect to a single criterion: preference in the wide sense and non-preference (see Roy, 1990; cf. Nowak, 2004; 2005):

- alternative a_i is preferred (strictly or weakly) to alternative a_j :

$$a_i \succ a_j \Leftrightarrow F_k^i \text{ SD } F_k^j \text{ and } \mu_k(a_i) - \mu_k(a_j) > 0, \quad (1)$$

- alternative a_j is preferred (strictly or weakly) to alternative a_i :

$$a_j \succ a_i \Leftrightarrow F_k^j \text{ SD } F_k^i \text{ and } \mu_k(a_j) - \mu_k(a_i) > 0, \quad (2)$$

- non-preference – otherwise,

and SD denotes stochastic dominance relation (FSD/SSD/AFSD/ASSD or OFSD/OSSD/OAFSD/OASSD).

The procedure of ordering alternatives (PBOs) consists of the following steps:

1. Determination of the qualitative dominance measures for the ordinal criteria:

$$\alpha_{ij} = \left[\sum_{k \in O} \{w_k \varphi_k(a_i, a_j)\}^c \right]^{\frac{1}{c}}, \quad c = 1, 3, 5, \dots, \quad (3)$$

where:

c – an arbitrary scaling parameter, for which any positive odd value may be chosen; the higher the value of the parameter is, the weaker the influence of the deviations between the evaluations for the less important criteria;

O – a set of qualitative (ordinal) criteria²;

$$\varphi_k(a_i, a_j) = \begin{cases} 1 & \text{if } f_k(a_i) - f_k(a_j) > 0, \\ -1 & \text{if } f_k(a_j) - f_k(a_i) > 0, \\ 0 & \text{otherwise,} \end{cases} \quad (4)$$

for deterministic evaluations;

$f_k(a_i)$ – performance of alternative a_i on criterion f_k ,

$$\varphi_k(a_i, a_j) = \begin{cases} 1 & \text{if } F_k^i \text{ SD } F_k^j \text{ and } \mu_k(a_i) - \mu_k(a_j) > 0, \\ -1 & \text{if } F_k^j \text{ SD } F_k^i \text{ and } \mu_k(a_j) - \mu_k(a_i) > 0, \\ 0 & \text{otherwise,} \end{cases} \quad (5)$$

for stochastic evaluations;

F_k^i – distribution of the evaluations of alternative a_i with respect to criterion f_k ;

SD – stochastic dominance relation;

$\mu_k(a_i)$ – average performance (expected value of the evaluation distribution) of alternative a_i on criterion f_k .

2. Calculation of the quantitative dominance measures for the cardinal criteria:

$$\gamma_{ij} = \left[\sum_{k \in Q} \{w_k (v_k(a_i) - v_k(a_j))\}^c \right]^{\frac{1}{c}}, \quad c = 1, 3, 5, \dots, \quad (6)$$

for deterministic evaluations;

where:

Q – a set of quantitative (cardinal) criteria³,

$v_k(a_i)$ – standardised performance of alternative a_i on criterion f_k (expressed on a scale from 0 to 1);

² It is assumed that all the criteria are maximized.

³ It is assumed that all the criteria are maximized.

$$\gamma_{ij} = \begin{cases} \left[\sum_{k \in Q} \{w_k (\eta_k(a_i) - \eta_k(a_j))\}^c \right]^{\frac{1}{c}}, & c = 1, 3, 5, \dots, \text{ if } F_k^i \text{ SD } F_k^j, \\ 0 & \text{otherwise,} \end{cases} \quad (7)$$

for stochastic evaluations;

where:

$\eta_k(a_i)$ – average standardised performance (expected value of the standardised evaluation distribution) of alternative a_i on criterion f_k ;

F_k^i – distribution function representing standardised evaluations of alternative a_i with respect to criterion f_k and SD denotes stochastic dominance relation.

3. Standardisation of the dominance measures as follows:

$$\delta_{ij} = \alpha_{ij} \left(\sum_{i=1}^m \sum_{j=1}^m |\alpha_{ij}| \right)^{-1}, \quad (8)$$

$$\sigma_{ij} = \gamma_{ij} \left(\sum_{i=1}^m \sum_{j=1}^m |\gamma_{ij}| \right)^{-1}. \quad (9)$$

4. Calculation of the overall dominance measure q_{ij} for each pair of alternatives:

$$q_{ij} = w_O \delta_{ij} + w_Q \sigma_{ij}, \quad (10)$$

where:

w_O – the sum of weights of qualitative criteria,

w_Q – the sum of weights of quantitative criteria.

5. Determination of the final appraisal score u_i for each alternative:

$$u_i = \frac{1}{m} \sum_{j=1}^m q_{ij}. \quad (11)$$

6. Ranking of the alternatives (PBOs) according to the descending order of the final appraisal scores.

4 Illustrative example

The present study shows an application of the recommended procedure to appraising and ranking of eleven public benefit organizations from Lodz Voivodeship operating in the field of ‘Ecology, animals and heritage protection’.

Factors which a responsible charitable giver, social investor or public authority should, in our opinion, consider when selecting PBOs to support, as well as measures for them, have been identified on the basis of the literature review and the present authors’ own ideas. They are presented in Table 1.

Table 1: PBOs performance assessment factors

No.	Criterion (min/max/value of); (earlier studies)	Measure – calculation formula
f ₁	Average amount of aid per beneficiary (max)	cost of unpaid statutory activities/number of beneficiaries
f ₂	Average revenue generated by people involved in the organization's activities (max)	total revenue/number of people involved in the PBO's activities
f ₃	Labour cost in relation to total revenue (min)	gross salaries/total revenue
f ₄	Change in revenue (max); (a)	(total revenue in current year – total revenue in previous year)/total revenue in previous year
f ₅	Financial stability ratio (value of 73); (b), (c)	cash and other short-term investments (in previous year)*365/total cost (in current year)
f ₆	Private revenue concentration ratio (% of private financing) (max); (b), (c)	(1% of PIT + income from private sources including individual and institutional donations)/total revenue
f ₇	Administrative costs ratio (% of administrative costs) (value of 6,5%); (b), (c), (d), (e)	administrative cost/total cost
f ₈	Activity scope (value of 36); (b), (c)	number of beneficiaries/number of people involved in the organization's activities
f ₉	Alternative labour costs (max); (b), (c)	(number of volunteers*gross salaries)/employees
f ₁₀	Organization's age (max); (e)	the number of days the organization has PBO status
f ₁₁	Statutory goals and activities or projects (max); (c)	do annual statements of the organization or its promotion materials define precisely statutory goals and activities or projects undertaken to achieve those objectives? (appraisal of the DM on scale 0-3)
f ₁₂	Effects of activities (max) (c)	do annual statements of the organization or its promotion materials disclose accurately effects of activities undertaken by the organization in the recent period? (appraisal of the DM using scale 0-3)
f ₁₃	Beneficiaries of activities (max); (c)	do annual statements of the organization or its promotion materials characterise thoroughly beneficiaries of activities conducted by the organization in the recent period? (appraisal of the DM using scale 0-3)
f ₁₄	Organization's image (max); (c)	does the web-site of the organization help to create a positive image of the PBO? (appraisal of the DM on scale 0-3)

a) (www 1); b) Dyczkowski (2015a); c) Dyczkowski (2015b); d) Frumkin and Kim (2001); e) Trussel and Parsons (2008).

Source: Dyczkowski (2015a; 2015b); Waniak-Michalak (2010); Waniak-Michalak and Zarzycka (2012), own elaboration.

The analysis has been carried out on the basis of the official and publicly available annual reports (from 2014) of the organizations considered and on information from their websites. Criteria f_{11} through f_{14} have been assessed by the present authors (denoted by DM_1 and DM_2 in Table 3), who played the roles of potential givers. They have also determined weights for the evaluation criteria (arbitrarily, reaching compromise). The model of preferences for the decision-making problem as well as measurement data are presented in Table 2 and 3, while Table 4 provides the results obtained by applying the EVAMIX technique for mixed evaluations, together with a brief description of the PBOs examined.

Table 2: Model of preferences and input data – part 1

f_k	f_1 [max]	f_2 [max]	f_3 [min]	f_4 [max]	f_5 [goal: 73]	f_6 [max]	f_7 [goal: 0.065]	f_8 [goal: 36]	f_9 [max]	f_{10} [max]
w_k	0.1286	0.1238	0.0762	0.0429	0.0571	0.0667	0.0167	0.0452	0.0238	0.0333
a_i	Evaluation of alternative a_i (PBO) on criterion f_k									
A	90.98	26694.42	0.0457	0.3024	41.41	0.8865	0.2815	204.26	14319.54	4117
B	89.44	29855.98	0.4663	0.4078	106.32	0.0322	0.0625	231.50	19640.25	4171
C	572.95	21367.02	0.0000	-0.0718	14.04	0.0000	0.0007	35.56	0.00	4318
D	0.00	37448.55	0.3462	-0.0788	66.73	0.2625	0.7341	4243.43	82577.78	4151
E	71.95	30175.27	0.0597	0.1709	30.30	0.0676	0.9723	11.76	0.00	3456
F	6.93	58578.88	0.1074	-0.0311	66.67	0.9255	0.3605	3386.49	30640.66	3110
G	104.97	8645.69	0.0000	-0.0928	0.00	0.9943	0.0000	84.58	277200.00	2794
H	37.98	40155.69	0.0000	1.1761	54.74	0.4237	0.1478	1100.92	132396.92	120
I	670.70	39624.44	0.0217	-0.5438	0.00	0.1287	0.0000	48.94	0.00	519
J	1039.83	217163.46	0.0740	0.4368	12.32	0.9998	0.0000	192.00	3350.00	1450
K	1003.37	22893.19	0.0687	0.1520	76.48	0.8096	0.0715	17.65	30319.50	1427

Table 3: Model of preferences and input data – part 2

f_k	f_{11} (max)			f_{12} (max)			f_{13} (max)			f_{14} (max)		
w_k	0.0762			0.1095			0.0952			0.1048		
a_i	Evaluation of alternative a_i (PBO) on criterion f_k											
	DM_1	DM_2	$\mu_k(a_i)$	DM_1	DM_2	$\mu_k(a_i)$	DM_1	DM_2	$\mu_k(a_i)$	DM_1	DM_2	$\mu_k(a_i)$
A	3	3	3	3	2	2.5	3	3	3	3	3	3
B	3	3	3	3	3	3	3	3	3	3	3	3
C	2	2	2	1	2	1.5	1	3	2	1	2	1.5
D	2	2	2	2	2	2	2	3	2.5	2	2	2
E	3	2	2.5	2	2	2	2	1	1.5	3	2	2.5
F	3	2	2.5	3	3	3	3	3	3	3	2	2.5
G	2	2	2	1	2	1.5	2	2	2	2	3	2.5
H	3	3	3	3	3	3	3	3	3	2	1	1.5
I	2	3	2.5	2	2	2	1	1	1	2	2	2
J	2	3	2.5	2	2	2	1	1	1	1	2	1.5
K	2	2	2	2	2	2	1	1	1	2	1	1.5

Table 4: Ranking of PBOs

No.	PBO	Description of the organization	Appraisal score
1	2	3	4
1	J	The foundation has the status of PBO since 2012. Its aim is to promote kindness to animals and to prevent or suppress cruelty to and suffering among animals. It takes care of old, crippled, homeless, sick, injured or mentally ill animals including dogs and horses. It runs a sanctuary, a hospice and a home hospital	0.0090
2	A	An independent, self-financing NGO, created in February 1990, operating on the territory of Lodz Voivodeship. It has the status of PBO since 2005. It is open to cooperation with local authorities for the protection of animals. It is a non-profit organization that supports itself with donations and funds originating from 1% of personal income tax paid. The organization operates on a voluntary basis. Its aim is to promote kindness to animals, and to rescue, rehabilitate and rehome neglected and unwanted animals	0.0046
3	K	The society, based in Glowno, was founded in 2009. It has the status of PBO since 2012. It runs a sanctuary for stray and abandoned animals, takes care of animals staying there, arranges adoptions, and makes every effort to restore the animals' trust in humans. The organization promotes compassionate treatment of animals and helps people on low income to feed and care for their animals	0.0034
4	F	The foundation was registered in October 2006 on the initiative of volunteers helping in the animal shelter in Lodz. It is a non-profit organization with PBO status (since 2007) that supports all activities against animal homelessness by promoting the adoption, castration and sterilization. It conducts educational activities, promotes the practice of microchipping and registration of animals, and undertakes interventions for abused animals. From September 2013 the organization has run an adoption centre for animals of various kinds	0.0022
5	H	The foundation is an organization with PBO status, based in Lodz. Its aim is to provide care and protection for abandoned and maltreated animals, mainly by putting them in shelters. It supports all activities against animal homelessness and helps other organizations that deal with this problem	0.0019
6	B	A non-profit organization with PBO status (since 2004) and a mission to educate people about local environmental issues, and to expand their capacity to act for a more sustainable Poland. Its members believe that it is important not only to work directly in conservation and welfare, but to instil in people a love for their surroundings and their fellow inhabitants. The organization was founded in 1993, and was registered as an association in February 1997. The association is based in Lodz, Warsaw and Cracow	-0.0012
7	G	A non-profit foundation that operates on a voluntary basis. It has the status of PBO since 2008. It helps to solve any kind of problem which deals with cats, especially those that are chased from backyards and wandering, hungry or sick. The organization takes care of them by stroking, nursing or providing medicines, taking animals to the clinic and looking for homes for them	-0.0020
8	I	An organization with PBO status founded in September 2008. Its aim is to help all homeless animals, especially those which are in the Lodz shelter. The association helps people on low income towards the cost of feeding, treating, microchipping, spaying or neutering their animals. It educates people and promotes kindness to animals	-0.0031

Table 4 cont.

1	2	3	4
9	C	An organization registered in October 2002. The aim of the society is rescue, rehabilitation and re-homing of stray and unwanted animals, and the protection of animals of all kinds in need, including provision of veterinary treatment. It promotes environmental protection and the compassionate treatment of animals, and educates people in their care for animals. The organization has the PBO status since 2004 and it does not operate a business	-0.0037
10	E	The organization, based in Belchatow, was re-established in 1991 on the initiative of its pre-war members. It has the PBO status since 2006. Its aim is education in the spirit of patriotism and character formation of young people through paramilitary discipline and organization of their free time. The association organizes, among other things, environmental and ecological excursions	-0.0040
11	D	It is a PBO registered in January 2005. It is based on the territory of Lodz Voivodeship in Zgierz. The foundation runs sanctuary for abandoned animals, providing care, shelter, nourishment, veterinary treatment and re-homing for them	-0.0071

The ranking of public benefit organizations we have obtained shows that the best entity for donation, taking into account its effectiveness and reputation, is organization J. Organizations A, K, F and H also turned out to be quite good solutions since the values of their appraisal scores are positive. In turn, PBOs B, G, I, C and E do not seem appropriate entities for supporting by the decision-makers examined as the values of appraisal scores determined for them are negative. The worst organization for subsidising is organization D.

5 Summary

Taking the increasing role of public benefit organizations into consideration we have proposed a procedure for assessing their performance. The tool is based on the outranking MCDA technique intended for mixed evaluations, namely the EVAMIX method for mixed data, which is a hybrid of the EVAMIX method and the EVAMIX method with stochastic dominances. It can help donors to make smart and confident giving decisions. Moreover, it can be used by the authorities (self-governments or central administration) to choose organizations which should be responsible for certain tasks financed with public resources. Finally, it can help non-profit organizations to control their operations more effectively and to verify their own attractiveness as fundraisers.

The procedure discussed can be used for the evaluation of public service organizations all over the world. In the not-too-distant future we are going to apply it for charities operating in countries of the Commonwealth, for example Canada or Australia. However, we should keep in mind that measures used in the analysis should be tailored to each country's specific circumstances.

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