

Diagnosis: Fundraising Success How and When to Conduct a Development Audit



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Why do it?

- Objective, professional tune-up
- Current economic climate – mistakes are costly
- Other reasons?



Overview of the Process: What Happens?

- Review and analyze personnel, systems, strategies and techniques.
- Interview stakeholders.
- Analyze findings.
- Report: specific recommendations for improvements, modifications & new opportunities to explore.



Review Documents, Systems & Structure

- Financial: financial statements, audits, budgets
- Legal/Organizational: articles, bylaws, agency structure, state registrations
- Staffing: job descriptions, roles & responsibilities, volunteer vs. paid



Review – cont'd.

- Leadership: board of directors materials, composition, governance policies, giving, participation & performance
- Case for Support: mission, vision, values, programs, goals and objectives, competition and environment



Review – cont'd.

- Planning: strategic, program, facilities, financial, personnel, communications & marketing
- Development: donor reports/history, FR plan, appeal letters, grant proposals, web site, events, planned giving, Guidestar and rating agencies



Review – cont'd.

- Development Systems: donor database (LYBUNT/SYBUNT), gift processing and acknowledgment, email addresses and online giving, IT
- Stewardship: donor levels, benefits, recognition, communications (newsletter, email blasts, invitations)



Who should be interviewed?

- Executive Director
- Development Director
- Development Staff
- Program Staff
- Board Members
- Major Donors
- Key Volunteers, Constituents, Clients
- Staff at Peer Institutions



Interview Questions

- Agency/FR strengths and weaknesses
- Community perceptions about agency
- How & why interviewee got involved with agency
- How agency ranks in personal philanthropy
- Who are the best prospects for this organization?
- What are the best methods for asking these groups?
- What are the most compelling reasons to give to this organization?
- Recommendations & other thoughts



Researching the Competition

- How much are they raising?
- What is their “sources of support profile”?
- What is their direct service/fundraising ratio?
- What fundraising methods do they use?
- Size & salaries of development staff?
- Other pertinent benchmarks: year founded, size & composition of board, number of donors, etc.



Write Report

- Length – 20 to 30 pages, plus attachments
- Key sections: Executive Summary, Findings, Discussion & Recommendations
- “Gold standard” vs. reality
- Practical, “living” document



Who Conducts and How to Fund?

- Consultant vs. Other Options
- Benefits of hiring outside consultant
- How to find qualified consultants
- Questions to ask



Time & Costs?

- 10 to 25 days
- \$1,000 to \$2,500 per day



Benefits to Agency

- Immediate:
 - Candid assessment of agency's strengths and weaknesses
 - Focused, practical action plan to improve performance
- Long-term:
 - Potential to save thousands of dollars and raise more money

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