

# **Fundraising Audit Questionnaire**

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## **I Mission, Image & Case for Support**

### **A. Mission, Values, Vision**

1. Does the organization have mission, values, or vision statements? Are these statements current? When were they last revised? Who developed these statements (the board? The staff? Or both?).
2. Are the statements clear? Do you see room for improvement in any of these statements?
3. Do you think these statements offer the foundation for building a compelling case for funding support to a potential donor?
4. Is the staff and board familiar with the M/V/V statements? Can they articulate part of these documents? Did you get a sense from interviewing people that the M/V/V statements are used to help guide the day-to-day operations of the organization?
5. Are these M/V/V statements published in newsletters, annual reports, etc.? Do they appear anywhere on the organization's website? Are they easy to locate on the website?

### **B. Image of Organization**

1. Is the organization well known in the community? Is it one of those "best kept secret" organizations?
2. Does it sponsor any community service programs? (e.g. 5k runs? Kids Festivals? and so forth.)
3. What is the organization's reputation in the community? Positive? Negative? Neutral? (This assumes you have asked other key players in the community about your organization.)
4. What did your research find when it came to any press about the organization in the last two or three years? Does the organization have a membership in the local Chamber of Commerce? Does the Chamber even know this organization exists? Is it featured in local, regional or statewide marketing materials? (e.g. Tourist Guide books and the like? "What to do in Oshkosh?")
5. Are the events and programming of the organization generally well reviewed by the media? Is this organization seen as a vital part of the community by the press and electronic media? Are there any media sponsors for the organization?
6. How are they using their website to manage their image and to build donor awareness of their giving programs?

### **C. Case for Support**

1. Has the organization articulated a clear case for support from the community through its fundraising materials and website? Please review pages 50 and 51 in the book for this course, Dove's *Conducting a Successful Fundraising Program* for essential elements of a case statement. How would you rate their case for support documents relative to the samples from Dove's book?
2. Is there a sufficient variety of options for donors with different giving capabilities?
3. Does the organization currently have a mix of individuals, corporation and foundation grants, government grants, corporate support or sponsorships supporting the organization? What is the estimated percentage each main support areas gives as a total of the funds raised annually?
4. Is an "Annual Report" published by the organization? Is it focused primarily on development activities and is it designed to be a development tool?
5. What other published materials (or web information) celebrates and acknowledges the organization's success in meeting the needs outlined in the case statements?

## **II. Human Resources**

### **A. Board**

1. Giving and getting profiles – do the board members give and/or get gifts or sponsorships for the organization regularly? Do they buy subscriptions or ticket packages as part of their board giving? What were you able to find out about the amount of board giving/getting? What has been the trend over the last five years? Has it gone up, down, stayed flat?
2. Is there a board development committee? What has been its track record? Has the board member who is chairing the committee been effective in engaging other board members in meeting the annual gift goals? What's the staff involvement with this committee?
3. How involved is the board with the development office staff in the various donor programs?
4. Is there evidence of responsible trusteeship in the organization? Has there been any negative press about the board or its members in the local/regional media?
5. Do they follow any of the ethical guidelines or donor rights that are supposed to be the benchmarks for the industry?
6. Has the board engaged in any specific training for fundraising? Is there any evidence they have used consultants to help shape their fundraising activities?
7. How do the board and staff work together to fulfill the development goals of the organization. Are there subcommittees or special committees operating such as a gala committee?

### **B. Staff**

1. Is there sufficient number of staff to carry out the organizations fundraising plans? What has the staff turnover been in the last 3 years in the development area? Has the organization added staff in preparation for or in undertaking a major campaign? Do they have sub-departments within the development area? (e.g. annual giving, grants, major gifts, membership, special events, sponsorships, corporate and foundation relations, and so forth.)
2. What is the organizational relationship between development and the marketing and PR function of the organization? For example, is there one person in charge of the entire area of development, marketing and PR, customer relations (i.e., customer service, or ticket office, or front of house), or are these separate departments with their own department heads? What does their organizational chart look like?
3. Are there job descriptions and clarity in the staff functions in the development area? How do the development area job descriptions relate to the staff working in marketing, PR, customer relations, etc.?
4. Is the staff well trained in the field of fundraising? What are their backgrounds? Do they have specialized training or education relating to fundraising, development, and grant writing? Are they an "on-the-job trained staff?" Do they attend conferences or other specialized workshops in fundraising or grant writing.
5. How is the morale among the staff? Morale may be good, but are they operating above and beyond their resource capabilities? In other words, does the organization operate with the expectation that above and beyond the call of duty is the operating norm?
6. How are the development staff evaluated in their jobs? Do they quotas to fill? Is their compensation in any way linked to how much they raise?
7. How does the staff feel about the board and its development activities? Do the staff and board play well together?

### **C. Volunteers**

1. Are there volunteers who are not on the board who assist with carrying out the fundraising plans? (e.g. A Guild group not associated with the board.)
2. What is the experience level of the volunteers?
3. Is there a training process in place for volunteers and how effective does it appear to be?
4. Is there a history of commitment and successful support by the volunteers?

### **III. Financial Profile**

#### **A. Fiscal Accountability**

1. Do recent balance sheet and income statements show prudent financial management?
2. Are financial and budget control systems in place?
3. Are budgets available to review? Is the development area budget available?
4. What are the estimated costs of operating the fundraising area of the organization? For example, is the organization spending 10% or more of its operating budget on development? (Things to look for: Do they track operating expenses and salary benefit costs for the development area as a cost to raise money? Do they track special event costs – gala events – fully? In other words, are they tracking the cost of the event including personnel?)
5. What do the last five years of 990s tell you about the organization's financial stability?

#### **B. Financial Operations**

1. Does the organization take online donations through its website?
2. What control systems are in place for monitoring how gifts are processed and reported? Has there been any recent audit findings relating to how the organization processed gifts or grants?
3. Does the organization have any endowments? What is the status of their endowments? Are they going up, down, or are they flat? What kind of restrictions are in place on the endowment accounts?
4. How does the board development committee and the finance committee or whatever they call it) coordinate the yearly or multi-year budget process? Does the staff create the budgets for both areas and bring it to the board for approval? How involved is the board in the "stewardship" of the financial resources of the organization?

#### **C. Income Patterns**

1. Is there a good balance between earned and unearned income? What are the percentages of each? Have these percentages changed in the last five years? If they have changed, why?
2. Is there sufficient availability of unrestricted funds? (Do they have cash available for emergencies?)
3. Is the organization dependent on a few major donors, grants, or other income sources or is there a broad base of support? What are the percentage breakdowns of the revenue sources?

### **IV. Organization Activities and Donor Programs**

#### **A. Activities**

1. Resource audit – list the programs or activities they do. What does the organization do particularly well?
2. What is the competition? Are there many other arts and/or NFP groups in the market area seeking support on a regular basis?
3. Is all the programmatic activity of the organization actually needed? Is there an evaluation process in place for the programs they do? Have they added or discontinued any programmatic activity in the last 3 to 5 years? If yes, why?
4. Does the programming serve a diverse or narrow constituency? (For example, a music organization will tell they have a diverse audience for the symphony concerts. When you checked the demographic profile of the geographic area the arts organization operates in did you find this statement to be true?) Does the organization track who attends or have they surveyed their audiences or members lately to see what the demographic profile looks like?
5. Does the organization attract a diverse donor base? For example, do they have many that give little or a few that give much?

6. What are the benefits offered donors? In other words. “What do I get for what I give?” What are the various recognition levels, special treatment, etc. I get for donating to the organization?
7. How does the organization recognize their donors? Are they listed in publications, or on the web?

## **B. Donor Programs**

1. Is the organization operating an annual gift or membership campaign? What has been the trend for annual giving to the organization over the last 3 to 5 years? Up? Down? Flat? Reasons for the change are??
2. Is the organization running a major gifts campaign? Describe and evaluate.
3. Does it have a planned giving program operating? Describe and evaluate.
4. Does it have various sponsorship programs in place? (Sponsor the season? Sponsor a show, concert, exhibition, etc? Sponsor an programming activity – Youth Orchestra, Ballet Youth Corps, and so forth?) Are the sponsorships a joint marketing and development activity or is this the domain of one these departments?
5. What are the recognition programs in place for donors? How does the organization celebrate the donors?
6. How are they using their website in their donor support programs?

## **V. Planning and Evaluation**

### **A. Planning**

1. Does the organization operate from an overall organization plan? What type of plans exist: Strategic? Short-term? Long-term? How long – 2, 3 5 or more years?
2. How well do the goals, objectives, and action plans of the organization align with the mission, vision and values?
3. How good is the planning process? How involved is the board, the constituents, and the staff in the planning and evaluation process?
4. Does the organization work from a separate development or fundraising plan? Is it a working document used by the staff ? Who created the plan? Was this a board – staff document or a staff document approved by the board? How often is up updated?
5. Is there a multiyear development plan? How does it relate to the organization’s financial plan? Does the organization have a multiyear financial plan?
6. Does the organization work with multiyear development budgets?
7. Did the organization use outside consultants to help develop their strategic, development, marketing, etc. plans? Explain.

### **B. Evaluation and Accountability**

1. How are fundraising programs and activities evaluated and at what frequency? (monthly, quarterly, yearly, never)
2. Is the evaluation of the fundraising activities based on quantitative targets? Do these targets seem reasonable to you? Are there other benchmarks or metrics you would add to the mix if you were in a position to do so?
3. How is the overall effectiveness of the organization evaluated related to its mission?
4. How often are evaluations carried out and by whom?
5. Is there any evidence of “consequences” when funding goals are not reached?
6. How does the board figure into the evaluation and accountability of the organization’s development staff?

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