

The DEVELOPMENT AUDIT®

A SELF-ASSESSMENT TOOL for study purpose use. It is designed to:

- *review your track record and understand current fundraising patterns*
- *compare your current practices with accepted fund development theory*
- *identify gaps, issues or challenges that should be addressed*
- *assess readiness to expand fund development ventures*
- *establish a framework for future development efforts*
- *position to take your fund development program to a higher level*
- *prepare for the process of preparing a Fund Development Plan.*

The Development Audit builds on current fund development theory; each statement in the workbook suggests a concept, strategy or best practice that is important to the overall success of a comprehensive fund development program. It is designed to draw attention to areas that might need further work or consideration: through training, performance management interventions and/or development planning.

The Fund Development Audit addresses the eight critical areas or modules contained in the graphic to the right. A brief overview of the importance of each can be found on the next page.

For each of these modules, ten fundamental best practices are proposed and individuals are asked to provide two assessments for each statement: to what extent does your organization act in accordance with the statement AND to what extent do you agree that your organization would be well advised to adopt this practice.

The Development Audit© addresses eight critical Subject Areas – each listed in the table of contents below.

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Instructions

1. Complete the ratings beside each best practice statement first – all 8 Critical Areas containing all 80 Best Practice Statements.
2. When evaluating each Best Practice Statement, ask yourself the following two questions:
 - **DO WE OPERATE THIS WAY?**
 - 5 = we always operate this way; this is definitely true for our organization
 - 4 = we often operate this way
 - 3 = we sometimes operate this way
 - 2 = we rarely operate this way
 - 1 = we don't operate this way; this is not true for our organization
 - DK = I just don't know whether this practice is being followed
 - **SHOULD WE ADOPT THIS PRACTICE?**
 - 5 = strongly recommend we adopt this practice
 - 4 = recommend we probably adopt this practice
 - 3 = unsure whether we should adopt this practice
 - 2 = recommend we probably not adopt this practice
 - 1 = strongly recommend we not adopt this practice
3. After you have completed the ratings, calculate the average rating per page in the space provided
 - For the first question (operates this way), add up your ratings (e.g. 4+2+3) and divide by the number of ratings that you were able to provide (e.g. divide by 8 if you had two DK or don't knows) – put the number in the box provided
 - For the second question (adoption of the practice), add up your ratings and divide by 10 – put the number in the box provided
 - Please complete the summary chart on the last two pages – by transferring the scores for each module or page.
4. Make sure you provide some basic information about yourself at the end so we can properly analyze responses.

In some areas, basic data will be available that should be gathered and inserted into the workbook prior to reviewing or evaluating the statements. This data will help inform the self-assessment process. If the data is not available, the statements can still be reviewed; however, lack of such basic information also indicate an area that might require attention as your organization attempts to reach for new heights in fundraising excellence.

Ideally, this audit workbook should be completed by all those involved in the fund development program (Board, Fund Development Committee, Senior Staff, key Volunteers) and a consolidated summary prepared for analysis. Individual results are confidential however they are reported back summarized by constituent group to demonstrate variances or similarities in perceptions.

The Governance Environment

An effective fund development program can only be created within a supportive and enabling organization. The leadership that the Board or Council demonstrates is critical to both short term success and long term evolution towards a mature, balanced, and successful fund development program.

Practice Statement	Do we operate this way?							Should we operate this way?						
	NO			YES			DK	NO			YES			
	1	2	3	4	5			1	2	3	4	5		
<i>The organization actively engages in recruiting diverse leadership on its Board and Committees in order to ensure that these groups are representative of and responsive to the community they serve.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>Senior fund development leadership participates in the organization's strategic planning process in order to ensure that philanthropy is an integral part of the strategic plan.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>The Board has clearly defined the results or impact that the organization strives to achieve or deliver (eg: mission, vision, ends, outcomes).</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>Board members are donors themselves, setting an example and demonstrating commitment by contributing regularly to the annual campaign.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>The Chief Development Officer has the respect and full support of the Board.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>The Board monitors the performance of our fund development program so that timely interventions/adjustments are possible.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>Everyone involved in a leadership position in the organization knows what the priorities are in the year or two ahead – priorities that need fund development support.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>Board members participate in the fund development process (development/review of plans; identification of prospects; making asks; attending events; etc).</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>The Board has set policies, including gift acceptance policy, which provides guidance to the fund development activity.</i>	1	2	3	4	5		DK	1	2	3	4	5		
<i>The Board is actively involved or consulted in the establishment of clear targets or goals for fund development activity, including preparation/approval of the Case for fundraising.</i>	1	2	3	4	5		DK	1	2	3	4	5		
Total Scores in each column (ignore DK)														
Average Score in each column	Divide by (10 - #DK)							Divide by 10						

External Environment

Philanthropic funding comes from an interested community, from stakeholders that share an interest in the outcomes or benefits that the organization can deliver. The organization may be internally 'ready' to move to new heights in fundraising success, but external readiness is equally critical.

Practice Statement	Do we operate this way?							Should we operate this way?						
	NO			YES			DK	NO			YES			
	1	2	3	4	5			1	2	3	4	5		
Our organization understands the cultural and ethical dimensions of fundraising in our community.	1	2	3	4	5		DK	1	2	3	4	5		
Our organization is well known in the community with a positive image.	1	2	3	4	5		DK	1	2	3	4	5		
Our organization empowers and supports volunteers by providing adequate orientation, training and specific job descriptions in order to enhance the volunteers' effectiveness.	1	2	3	4	5		DK	1	2	3	4	5		
We have a compelling case statement which urgently and compellingly defines our need for charitable support and the outcomes it will deliver to the community.	1	2	3	4	5		DK	1	2	3	4	5		
We have developed and implemented a comprehensive communications plan in order to inform identified markets about its funding priorities and gift opportunities.	1	2	3	4	5		DK	1	2	3	4	5		
We regularly conduct an environmental scan to identify opportunities and threats that might impact on our fund development efforts.	1	2	3	4	5		DK	1	2	3	4	5		
We understand our unique selling proposition (the arguments we can use to differentiate ourselves from other opportunities).	1	2	3	4	5		DK	1	2	3	4	5		
We have an established group of external fundraising volunteers to help us shape our fund development program and efforts.	1	2	3	4	5		DK	1	2	3	4	5		
We systematically meet with our most important donors to validate our understanding of their interests/concerns and to bring them up to date on how we appreciate and use their support.	1	2	3	4	5		DK	1	2	3	4	5		
We understand the motives for individual and corporate charitable giving in our community.	1	2	3	4	5		DK	1	2	3	4	5		
Total Scores in each column (ignore DK)														
Average Score in each column	Divide by (10 - #DK)							Divide by 10						

Fund Raising Track Record

The starting place for any new fund development plan or initiative has already been established, by the organization's policies and performance to date. You must know as much as possible about what has worked or not worked in the past before you commit to what's next.

Practice Statement	Do we operate this way?							Should we operate this way?						
	NO			YES			DK	NO			YES			
	1	2	3	4	5			1	2	3	4	5		
Our organization ensures that the intent of each gift is honoured so that public trust is established and maintained.	1	2	3	4	5		DK	1	2	3	4	5		
Our organization has a well established sponsorship program to compliment the philanthropic fundraising taking place.	1	2	3	4	5		DK	1	2	3	4	5		
Levels of cost effectiveness have been accepted by the organization and time-scaled plans of resource allocation linked to specific fundraising events/campaigns are established.	1	2	3	4	5		DK	1	2	3	4	5		
The fund development program consistently meets its targets.	1	2	3	4	5		DK	1	2	3	4	5		
Our fund development program is diverse – we have not become dependent on one or more initiatives that may be 'at risk' in the future.	1	2	3	4	5		DK	1	2	3	4	5		
Our fund development program is integrated – it makes a contribution to the annual core expenses, provides funds required for	1	2	3	4	5		DK	1	2	3	4	5		
We managed to increase the average gift size this year over last year.	1	2	3	4	5		DK	1	2	3	4	5		
Our fundraising costs are within industry norms.	1	2	3	4	5		DK	1	2	3	4	5		
We are constantly expanding our list of potential and existing donors and have special fundraising programs designated to donor acquisition.	1	2	3	4	5		DK	1	2	3	4	5		
We are constantly looking for strategies to increase the effectiveness of our fundraising activities that have proven themselves for our organization.	1	2	3	4	5		DK	1	2	3	4	5		
Total Scores in each column (ignore DK)														
Average Score in each column	Divide by (10 - #DK)							Divide by 10						

Constituency Analysis

An effective fund development program knows and understands its stakeholders. It takes time to understand who might have an interest in your work, who has linkages to the organization, and who has the greatest potential to give, and continue giving.

Practice Statement	Do we operate this way?						Should we operate this way?				
	NO		YES			DK	NO		YES		
	1	2	3	4	5		1	2	3	4	5
<i>We have developed a prospect list by identifying individuals and groups who have the capacity and propensity to give in order to qualify prospects for further research and cultivation.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We have the ability, and regularly analyze the prospect list using LIA in order to selection potential donors for particular projects.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We utilize a data management system that stores information about prospects to enable retrieval and analysis.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We segment our donors and donor prospects and develop unique strategies to approach each segment.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We consciously focus on constituency groups that have the greatest access to wealth, and the greatest ability to give.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We know who our top 100 donors are and are actively involved in exploring their specific interests and motivations to giving.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We are prepared to partner with related organizations to exchange (rent; borrow; purchase) lists of potential donors.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>Our senior leadership, both staff and volunteer, are actively involved in identifying and qualifying potential constituent groups and audiences.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We involve representatives from each constituent group in the evaluation of past fundraising efforts and give them an opportunity to provide advice to guide future efforts.</i>	1	2	3	4	5	DK	1	2	3	4	5
<i>We regularly undertake research activity to identify new 'communities of interest'; new donor categories that could be nurtured.</i>	1	2	3	4	5	DK	1	2	3	4	5
Total Scores in each column (ignore DK)											
Average Score in each column	Divide by (10 - #DK)						Divide by 10				

Program Maturity

Fund development, as opposed to fund raising, is fundamentally about developing and nurturing relationships with those that have an affinity for the organization and its work. The challenge is to nurture ongoing commitment and consideration of more significant gifts – for each and every donor.

Practice Statement	Do we operate this way?						Should we operate this way?					
	NO		YES		DK		NO		YES		DK	
	1	2	3	4	5		1	2	3	4	5	
My organization has designed a comprehensive solicitation program, and regularly asks and secures gifts, in order to generate financial support for our mission.	1	2	3	4	5	DK	1	2	3	4	5	
My organization has developed and has initiated a systematic cultivation plan designed to increase support of the organization over the longer term.	1	2	3	4	5	DK	1	2	3	4	5	
My organization fully understands the legislated and regulatory boundaries within the fundraising sector.	1	2	3	4	5	DK	1	2	3	4	5	
Every donor receives an acknowledgement and 'thank you' letter within one week of giving	1	2	3	4	5	DK	1	2	3	4	5	
Every donor is enrolled in an appropriate donor-level stewardship program demonstrating the impact of their previous annual gift(s).	1	2	3	4	5	DK	1	2	3	4	5	
In our organization, donors who give multiple times are given an opportunity to join a monthly giving program.	1	2	3	4	5	DK	1	2	3	4	5	
Each individual and corporation identified as a major donor prospect is 'researched' prior to making initial contact.	1	2	3	4	5	DK	1	2	3	4	5	
Our organization uses the 'moves management' system for coordinating initiatives enhancing a prospective donor's relationship with the organization to the point of making a major gift.	1	2	3	4	5	DK	1	2	3	4	5	
At any given time, our organization knows the percentage of qualified prospects that have been assigned for major gift activity.	1	2	3	4	5	DK	1	2	3	4	5	
Our organization's senior leadership is prepared to provide special recognition to major gift donors appropriate to their commitment and desire.	1	2	3	4	5	DK	1	2	3	4	5	
Total Scores in each column (ignore DK)												
Average Score in each column						Divide by (10 - #DK)						Divide by 10

Resource Availability

Too many organizations expect high performance from their fund development team, but simply to not provide the resources or infrastructure required to do an effective job.

Practice Statement	Do we operate this way?						Should we operate this way?					
	NO		YES		DK		NO		YES		DK	
	1	2	3	4	5		1	2	3	4	5	
Our organization has created a structured process for the identification, recruitment, evaluation, recognition, and replacement of volunteers in order to strengthen the organization's effectiveness.	1	2	3	4	5	DK	1	2	3	4	5	
We have a strong Board and an adequate number of committed volunteers prepared to help with our fund development activities.	1	2	3	4	5	DK	1	2	3	4	5	
We have access to the fund development expertise necessary to plan and implement a balanced program.	1	2	3	4	5	DK	1	2	3	4	5	
We have allocated an appropriate budget for fund development.	1	2	3	4	5	DK	1	2	3	4	5	
We have the information and administrative infrastructure necessary to run a modern fund development program (computers, office systems, admin staff, web site, e-giving, etc).	1	2	3	4	5	DK	1	2	3	4	5	
We have clearly articulated and defined the relative roles and responsibilities of all those involved in fund development for the organization (Board, CEO, FD team, staff, etc).	1	2	3	4	5	DK	1	2	3	4	5	
We are committed to and support ongoing training and education in fund development for our staff and key volunteers.	1	2	3	4	5	DK	1	2	3	4	5	
A written development plan has been developed with participation from key org personnel.	1	2	3	4	5	DK	1	2	3	4	5	
We regularly evaluate progress towards our fund development goals and monitor effectiveness of initiatives.	1	2	3	4	5	DK	1	2	3	4	5	
We regularly benchmark our resourcing allocation against competing organizations.	1	2	3	4	5	DK	1	2	3	4	5	
Total Scores in each column (ignore DK)												
Average Score in each column												
	Divide by (10 - #DK)						Divide by 10					

Fundraising Culture

The most successful non-profits or charities embrace a culture of philanthropy. Everybody involved is proud to be a non-profit and is prepared to do their part in both friend raising and fund raising.

Practice Statement	Do we operate this way?						Should we operate this way?					
	NO			YES			NO			YES		
	1	2	3	4	5	DK	1	2	3	4	5	
<i>We regularly inform our constituents about the value of giving in order to promote a culture of philanthropy.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>Our organization involves volunteers in a broad range of activities in order to maximize commitment to the mission of the organization.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>Our organization has designed and implemented short and long term fundraising plans and budgets in order to support the organization's strategic goals.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>Our organization promotes a culture that fosters the building of meaningful relationships with prospective donors and donors.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>We have a successful 'family campaign' that provides all staff and volunteers with the opportunity make an annual donation.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>All staff and volunteers understand that 'friend raising' precedes fundraising and consciously builds relationships at every opportunity.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>Senior management in the organization understands and supports a culture of philanthropy and is actively involved in fund development.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>Staff enthusiastically participate in fund development events and programs – knowing their importance to the ongoing work and sustainability of the organization.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>The person responsible for coordinating our fund development is an excellent communicator and has ready access to the Board, staff and volunteers.</i>	1	2	3	4	5	DK	1	2	3	4	5	
<i>The Board understands and supports a culture of philanthropy and is actively involved in fund development.</i>	1	2	3	4	5	DK	1	2	3	4	5	
Total Scores in each column (ignore DK)												
Average Score in each column	Divide by (10 - #DK)						Divide by 10					

The Donor Perspective

The most successful fund development organizations are donor centric, always seeking to maintain the donor's perspective in key decision making. They know that donor needs must be met.

Practice Statement	Do we operate this way?							Should we operate this way?						
	NO			YES			DK	NO			YES			
	1	2	3	4	5	1		2	3	4	5			
Our organization acknowledges and recognizes gifts in ways that are meaningful to donors and appropriate the mission of the organization.	1	2	3	4	5	DK		1	2	3	4	5		
We prepare donor-centered solicitation materials in order to influence and facilitate informed gift decisions.	1	2	3	4	5	DK		1	2	3	4	5		
Gift solicitations are conducted in accordance with the regulatory environment in which fundraising activities are conducted.	1	2	3	4	5	DK		1	2	3	4	5		
The organization clarifies, implements, and monitors donors' instructions by ensuring that allocations are appropriate and documented in the organization's financial records.	1	2	3	4	5	DK		1	2	3	4	5		
The donor knows in advance how the organization intends to use the donated resources and can be assured that his/her gift will be used for the purposes for which they were given.	1	2	3	4	5	DK		1	2	3	4	5		
The organization will provide prompt, truthful and forthright answers to all donor inquiries.	1	2	3	4	5	DK		1	2	3	4	5		
Information pertaining to the donor and his/her donation will be handled with confidentiality and respect to the extent provided by law.	1	2	3	4	5	DK		1	2	3	4	5		
The donor is given regular opportunity have their name deleted from mailing lists.	1	2	3	4	5	DK		1	2	3	4	5		
The donor is provided access to the financial records of the organization, including information related to the costs of fundraising.	1	2	3	4	5	DK		1	2	3	4	5		
Donors to our organization are comfortable with their right to decline an 'ask' and not feel unduly pressured.	1	2	3	4	5	DK		1	2	3	4	5		
Total Scores in each column (ignore DK)														
Average Score in each column	Divide by (10 - #DK)							Divide by 10						

Documenting your Fundraising Track Record

It is important to monitor fundraising performance, including having the facts about the contributions and successes of your fundraising efforts over the past 3- 5 year period. The relative importance of each activity and the trends that become apparent can form the foundation for many decisions that have to be made during the Fund Development Planning Process.

The tables below ask you to summarize data and information available on:

- *the relative importance of fundraising within your organization's overall revenue picture*
- *how funds are raised within your organization*
- *the cost of fundraising – how many cents it takes to raise a dollar for each category/activity*
- *how raised funds are allocated or utilized by the organization.*

Table 1: The Relative Importance of Fund Development
\$ raised from each source and % of overall budget for year
change the source categories to suit your reporting approach if necessary

Revenue Source	<i>Previous Fiscal Yr.</i>		<i>Previous Fiscal Yr.</i>		<i>Last Fiscal Year</i>	
	\$	%	\$	%	\$	%
<i>Charitable Gifts/Donations (individual, corporate, foundation – all sources)</i>						
<i>Earned Revenue (e.g. sale of materials, ancillary services, membership fees, sponsorships)</i>						
<i>Gaming (lotteries, raffles, bingo, etc.)</i>						
<i>Investment Revenue</i>						
<i>Government Grants</i>						

Table 2: How Funds are Raised in Your Organization

Reviewing the contribution of each type or category of fundraising activity – change categories if required

ACTUAL DOLLARS Raised in Each of the Last Five Years

Type of Fundraising	Previous Fiscal Yr.	Previous Fiscal Yr.	Previous Fiscal Yr.	Previous Fiscal Yr.	Last Fiscal Year
Special Events					
Canvassing/Door to Door					
Raffles/Lotteries/Gaming					
Direct Marketing – Mail					
Direct Marketing – Telephone					
Memorial Gifts					
Monthly Giving/Pledges					
Major Gifts – individual					
Major Gifts – corporate					
Major Gifts - foundation					
Corporate Sponsorships					
Other:					

Table 3: How Funds are Raised in Your Organization

Reviewing the contribution of each type or category of fundraising activity – change categories if required

PERCENTAGE of Total Dollars Raised in Each of the Last Five Years

Type of Fundraising	Previous Fiscal Yr.	Previous Fiscal Yr.	Last Fiscal Year
Special Events			
Canvassing/Door to Door			
Raffles/Lotteries/Gaming			
Direct Marketing - mail			
Direct Marketing - telephone			
Memorial Gifts			
Monthly Giving/Pledges			
Major Gifts - individual			
Major Gifts – corporate			
Major Gifts – foundation			
Corporate Sponsorships			
Other:			

Table 4: Cost of Fundraising

Income vs. Expense Budget Analysis for last complete fiscal year
Include all expenses related to the activity (including staff time, excluding facility overheads)

Fundraising Category (from Tables 2/3)	Gross Receipts	Total Expenses	Net Income	Cost per \$ raised

Please summarize the expense categories that have been included in this analysis: (eg: printing materials, salaries, overheads, postage, travel, etc)

Note: If you have the data and/or are concerned about the cost of fundraising, it would be **VERY USEFUL** to repeat this table for each of the past five fiscal years to see if costs have risen or fallen in a particular category of fund development.