

FUNDRAISING READINESS: HOW DOES YOUR AGENCY STACK UP?

by Brigette Sarabi

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Hastily patching together a fundraising scheme to deal with some impending fiscal crisis is an all-too-common approach to an all-too-common problem. Unfortunately, however, donors don't write big checks just because your organization finds itself in a bind.

More probably, they'll wonder how you got in this fix in the first place. Poor management? Bad business practices? Ineptitude?

That's why the best place to start building a successful fundraising plan is from a position of strength, not desperation. Just as individuals should have a physical exam every now and then, organizations too need a regular check-up.

The "Organizational Assets & Liabilities Checklist" below is a simple tool to help accomplish that. It's an exercise you should perform before embarking on a full-scale fundraising campaign.

Start by establishing an ad hoc organizational assessment team that includes leadership from both staff and board. Make sure administrative, financial, and program people are included so that all sectors of the organization have some investment in the effort. Together, spend time going over the checklist and filling it out.

The simple format calls for yes-or-no answers, but don't worry if you occasionally find yourself somewhere in the middle (the dreaded "sort of" column). That's okay; your answers will still point out areas that need attention.

After completing the checklist, you should have a pretty good picture of the organization's general health and business practices. This information can be used to guide your planning efforts. It's a first step toward maximizing strengths and remedying weaknesses—and making yourselves more attractive to prospective donors.

Checklist

| <i>Finances</i> | | Yes | No |
|--|--|-----|----|
| ◆ Do you have an annual budget, approved and monitored by the board, which includes all program and management expenses and all sources and uses of funds? | | | |
| ◆ Does your organization prepare monthly financial statements which compare actual revenues and expenses to the approved budget? Does your organization follow accounting practices which conform to standard practices? | | | |
| ◆ Is an independent audit or review of the organization's financial condition conducted annually? | | | |
| ◆ Is a written statement of the organization's financial position (i.e., a financial statement) available to potential funders and donors? | | | |
| ◆ Can you identify which programs are running at a surplus or loss and why? | | | |
| ◆ Can you identify your primary funding sources and whether or not they are secure for the next few years? | | | |
| ◆ Do you differentiate between restricted and unrestricted income? | | | |
| ◆ Are you running a deficit? | | | |
| ◆ If you have a deficit, do you have a plan to eliminate it within the next fiscal year? | | | |
| ◆ Do you have a financial surplus? | | | |
| ◆ If you have a surplus, is it unrestricted money and is it repeatable? | | | |
| ◆ Do you receive more than 30% of your operating budget from one source? | | | |
| ◆ If yes, is the money unrestricted? | | | |
| ◆ If yes, is this funding renewable over the mid- to long-term? | | | |

Personnel

| | Yes | No |
|--|-----|----|
| ◆ Do you have an adequate number of active board members? | | |
| ◆ Do you have board members who are recognized leaders in the community? | | |
| ◆ Does the board provide clear leadership within the organization? | | |
| ◆ Does the board participate in fundraising? | | |
| ◆ Do board members have relationships that can help leverage additional resources for the organization? | | |
| ◆ Is the board stable? (e.g., is there orderly turnover of board members, with adequate training of new board members?) | | |
| ◆ Do you have a stable volunteer base? | | |
| ◆ Is there a system for recruiting, training, and recognizing volunteers? | | |
| ◆ Do you effectively match the skills and interests of volunteers with the work to be done? | | |
| ◆ Are your volunteers trained to be effective "ambassadors" for your agency? | | |
| ◆ Do volunteers have relationships that can help leverage additional resources for the organization? | | |
| ◆ Can volunteers be used more effectively to meet the personnel needs of your organization? (e.g., if staff has been cut, can volunteers fill part or all of the gap?) | | |
| ◆ Do you have adequate staff to implement current programs? | | |
| ◆ Do you have adequate administrative and support staff? | | |
| ◆ Do you have adequate fundraising staff? | | |
| ◆ Is there staff leadership that works effectively with the board to implement goals and objectives? | | |
| ◆ Do you have dynamic program staff who could assist in fundraising (as motivators, recruiters, speakers)? | | |

Credibility

| | Yes | No |
|---|-----|----|
| ◆ Do you have documented evidence of community support? <ul style="list-style-type: none"> · community leaders on board of directors? · receive financial contributions from individuals? · receive cash or in-kind donations from local businesses? · a large number of people accessing your services? · recognition by the press, government, other agencies? · an active volunteer base involved with the agency? · positive testimonials from clients, members, volunteers, etc.? | | |
| ◆ Have you had documented program success? | | |
| ◆ Can you demonstrate the results of services you provide (e.g., changes in your clients as a result of services)? | | |
| ◆ Is there continuity in the successful provision of these services (e.g., history plus track record)? | | |
| ◆ Is there evidence of good organizational health? | | |
| ◆ Is the organization financially stable? | | |
| ◆ Does the board give money, as well as time, to the organization? | | |
| ◆ Are you getting funds from a diverse array of funders/donors? | | |
| ◆ Are your staff and board well-qualified? | | |
| ◆ Is there a continuing demand for your organization's services? | | |
| ◆ Do you work collaboratively with other organizations? | | |
| ◆ Do you provide a unique service in your service area? | | |

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