

Your Development Audit

By Laurence A. Pagnoni

A Development Audit documents the strengths and weaknesses of your current fundraising program, and provides a roadmap for growth. A Development Audit is an internal assessment of your fundraising program and your readiness to embark on new development ventures.

The Development Audit examines involvement of board, staff, and volunteers, in the fundraising process, and offers recommendations on how to best use your human resources available. It further evaluates the integrity of your development systems, including fundraising software. The audit also suggests possible improvements to donor communications and stewardship.

Many organizations consider a Development Audit when they are:

- Preparing to embark on a major gifts, capital or endowment campaign;
- Not satisfied with the results of their annual giving program;
- Seeking to increase Board participation in fundraising efforts;
- Attempting to compare their results with similar organizations;
- Looking for an objective evaluation of their development program;
- Trying to diversify their funding streams;
- Engaged in the strategic planning process;
- Looking at restructuring their development office;
- Seeking to take their program to a higher level of professionalism.

LAPA Fundraising

(212) 932-9008

601 Kappock St. 5G
Riverdale, NY 10463

lapafundraising.com

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LAPA leads the audit to assure objectivity plus utilizes the knowledge and years of experience we bring to the table. Your staff, while not involved directly in the evaluation process, will need to devote time to the audit process. Typical staff roles include:

- Completion of Development Audit questionnaires;
- Providing supporting documentation;
- Meeting with the consultant to clarify information and set goals.

The board is also involved with the audit, usually by completing questionnaires and participating in interviews. Typically, the board chair, chair of the development committee and others will be interviewed. We generally make several visits to your agency to meet with key staff, board and other volunteers.

These are the typical areas addressed in the audit:

1. The Organization's Readiness for Fundraising

- Legal Structure: does the organization have 501(c)3 status?
- Organizational Structure: to whom does the development office report?
- Strategic Planning: does the organization have a long-range plan?
- Fundraising Guidelines: are there gift acceptance policies in place?
- Case for Support: is there a written organizational case for support and case statements to support various fundraising needs?

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2. The Board's Role in Fundraising

- Board Composition: does the board have the appropriate mix of skills and talents?
- Board Performance: how is the board involved in fundraising and do board members support the organization financially?
- The Development Committee: is there a development committee or other volunteers involved in the fundraising program?

3. The Role of Staff

- Departmental Structure: is there adequate staff, doing the right jobs with the right tools?
- Functions of the Development Office: does the development staff have the time and skills to perform all development functions?
- Training & Educating Staff: is there a commitment to professionalism in the development office?
- Educating Role of the CEO in Fundraising: is the CEO involved in fundraising and does he/she communicate regularly with the development office?

4. Systems & Procedures

- Donor Database Software: is there an adequate donor software program in place and is staff trained to use the program?
- Procedure Manual: are procedures in place to receive, record and acknowledge gifts?
- Hardware: is there adequate hardware to support development systems and programs?
- Internet Usage and Website: does staff use technology to improve donor relations?

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5. Cultivation & Stewardship

- Move Management: is there a Moves Management program and is it fully integrated?
- Conversation: are donors being called regularly enough?
- Innovation: is the donor appreciation program innovative and impactful?
- Recognition: is there a donor recognition program and is it well understood?
- Integration: is there integration between direct mail and online communication?
- Functionality: what is the function of the social media program and can it be improved?
- Visitation: are major donors being visited sufficiently and thoughtfully?
- Vision: is there a visionary plan for securing transformational gifts?

The Integrated Development Program

Do you rely too heavily on one source of funding? Is there a plan in place to develop funding from various sources including Grants, Special Events, Direct Mail, Internet fundraising, Telephone Fundraising, Major Gifts, Corporate Appeals, and Planned Gifts?

Once the Development Audit is complete, the audit report is used to develop a revenue plan for the development program, addressing the areas raised as issues needing improvement. A comprehensive Development Audit can help your organization build on its strengths, overcome its weaknesses and address opportunities for future growth.