



Resource Development Audits that Work

Mike Gaudette, President, Lighthouse Consulting, Inc
Council for Resource Development
One Dupont Circle, NW, #365
Washington, DC 20036
www.crdnet.org



The Development Audit

1. Review of infrastructure that should be in place before soliciting funds or submitting grants
2. Review of the activities and successes that have occurred in the past (outcomes)
3. Review of stewardship practices for donors and grantors



The Big Picture: Private Fundraising



Infrastructure

Do you have the systems in place to raise and manage money and donors?

- Comprehensive strategic plan
 - Defines institutional priorities
 - Identifies specific needs



Infrastructure

- Policies and forms
 - Gift acceptance policy
 - CRTs
 - CGAs
 - CLTs
 - Real estate
 - Life insurance
 - Life estates
 - With CGA
 - Without CGA
 - Partial interests
 - Gift crediting
 - Date of gift
 - Fees



Infrastructure

- Endowment Policy
 - Minimum size
 - Spending policy
 - Fees
- Endowment agreements
- Gift annuity contracts
- Required disclosures
- Investment policy
 - Asset allocation
 - Performance review
 - Fees
 - Allowable investments
 - Targeted return rate
- Non-cash gift form



Infrastructure

- Endowment agreements
- Donor restrictions
- Donor recognition
- Donor-advised funds
- Confidentiality agreement
- Conflict of interest policy
- Naming opportunities policy
- Prospect clearing process
- Trusteeship
- College/Foundation agreement



Infrastructure

- Software/hardware
 - Database management software
 - Gift accounting software
 - Planned giving calculation software
 - General office software
 - Adequate hardware



Infrastructure

- Systems
 - Thank you acknowledgments
 - Donor recognition
 - Cultivation
 - Documentation
 - Required reporting
 - Fiscal accountability
 - Payments to beneficiaries and annuitants
- Organizational structure
 - Support of governing board
 - Access to president
 - Commitment of president



Infrastructure

- Foundation board
 - Job descriptions
 - Committee structure
 - Bylaws
 - Mission/vision
 - Board orientation
 - Quality of board members



Infrastructure

- Marketing and public relations
 - Newsletters
 - News releases
 - Advertising
 - Other
- Strategic planning
 - College
 - Foundation



Infrastructure

- Web site
 - Navigability
 - Appropriateness and quality of content
 - Interactivity
 - Ability to accept donations online
 - Prospect-focused
- Personnel
 - Number of staff
 - Qualifications of staff
 - Time allocated to fundraising
 - Professional development opportunities



Infrastructure

- Donors
 - Number
 - Distribution



Outcomes

Are you raising the money you could?

- Marketing materials
 - Direct mail
 - Campaign publications
 - Case statements
- Database management and segmentation
- Prospect research
- Cultivation activities



Outcomes

- Time allocation: are you spending your time effectively?
- Resource allocation: are you spending your money effectively?
- Influence: are you and your board spending your influence effectively?
- Special events
- Campaigns



Stewardship

Are you managing gifts appropriately?

- Trusteeship
- Paying agent
- Monitoring investment performance
- Audit
- Tax returns
- Other compliance filings



Stewardship

- Restricted funds
- Scholarship award process
- Fundraising costs
- Donor recognition
- Adherence to policies
- Foundation activities



The Big Picture: Grants



Infrastructure

Do you have the systems in place to secure grants?

- Comprehensive strategic plan
 - Defines institutional priorities
 - Identifies specific needs



Infrastructure

- Grant policies and procedures
 - Grant initiation process
 - Go/no-go process
 - Proposal development
 - Indirect cost policy
 - Approval process
 - Partnership agreements
 - Matching policy
 - Recipient/fiscal agent policy
 - Grant scheduling process
 - Records retention policy
 - Monitoring/oversight



Infrastructure

- Organizational Structure
 - Organizational chart
 - Commitment of President
 - Commitment of governing board
 - Organizational culture
 - Distributed v. centralized



Infrastructure

- Research capability
 - Online
 - Print and CD publications
- Hardware and software
 - Grant development software
 - General office software
 - Appropriate hardware
 - Technical support



Infrastructure

- Negotiated indirect cost rate
- Continuing education
 - Conferences and meetings
 - Publications
 - Listservs
 - Peer network



Infrastructure

- Public Relations
 - Publicizing awards
 - Relationships with grantors
 - Cultivation
 - Information gathering
- Web site
 - Navigability
 - Appropriateness and quality of content



Infrastructure

- Personnel
 - Number of staff
 - Qualifications of staff
 - Education
 - Experience
 - Attitude
 - Time allocated to grant development
- Grants management training
 - Grants management manual
 - Continuing education



Outcomes

Are you bringing in as much grant support as you could?

- Applications submitted
- Applications funded
- Indirect cost collected
- Time allocation: are you spending your time effectively
- Resource allocation: are you spending your money effectively?
- Congruence of projects with institutional priorities



Outcomes

- Are you bringing in as much grant support as you could?



Stewardship

- Are you managing grants and relationships appropriately?



Stewardship

- Grants management
 - Reports filed timely
 - Compliant with applicable rules and regulations
 - Supplanting/maintenance of effort
 - Matching funds
 - Prior approvals
 - Program income
 - Assurances
 - A-133 compliant audit
 - Allowable costs



Stewardship

Are you managing grants and relationships appropriately?

- Grants management
 - Reports filed timely
 - Compliant with applicable rules and regulations
 - Supplanting/maintenance of effort
 - Matching funds
 - Prior approvals
 - Program income
 - Assurances
 - A-133 compliant audit
 - Allowable costs



Stewardship

- Time and effort reporting
 - After-the-fact activity records
 - Plan-confirmation
- Inventory records
- Disparate treatment
- Fiscal management
- Records retention
- Close-out procedures
- Internal service funds
- Competitive bidding



Stewardship

- Outcomes achieved
- Monitoring/oversight
- Evaluation
- Relationships with grantors
- Relationships with staff



Council for Resource Development
 One Dupont Circle, NW, #365
 Washington, DC 20036
 202-822-0750
crd@crdnet.org
 Polly Binns, CFRE, Executive Director
