

PRODUCT PREVIEW

Due Diligence REPORT

SITUATION

When a donor or potential donor contemplates a major gift with a lot at stake, the *Due Diligence Report* can help direct the size and terms of the gift. It is particularly appropriate when a donor has specific issues that he/she wants resolved about the nonprofit. These may range from broad, general questions on strategy or effectiveness to detailed, specific issues on finances, program implementation, or another area.

MARKET

Major donors, prospective donors, foundations, and corporate funders use this product. It is also suitable for donors who are directors of nonprofits they wish to analyze, and for donors who are invited to serve as board members. Because of the extent of work involved, clients seeking a *Due Diligence Report* will be contemplating a large gift, ongoing smaller gifts, or some other significant investment in an organization. Additionally, with the donor's permission, the charity can use it in a similar manner as a report prepared by a nonprofit management consultant.

DESCRIPTION

This product is an extensive investigative report that contains two components. The first section describes what the organization does, and how it does it. This is essentially the same as the *Strategic & Operational Audit* (see *Product Preview*). It is descriptive and analytical, not evaluative, and covers eleven areas:

1. Founding
2. Purpose and strategy
3. Governance
4. Management and human resources
5. Planning
6. Finance
7. Fund development
8. Technology and internet
9. Legal
10. Marketing and website
11. General program effectiveness

The second section provides in-depth analysis of issues that arose during the preparation of section one or that were raised by the client. Here, we investigate issues that may affect the donor's giving decision. The donor's response to these issues may be to place conditions on the gift, to designate a gift to solve a problem, to increase or decrease the intended gift, or some other action. Narrative information and quantitative data are blended in this detailed report. Recommendations are made pertaining to the organization and the issues investigated.

PRODUCT USES

Likely uses include helping a donor:

1. Decide whether or not to make a major gift.
2. Identify areas in the organization that require strengthening, and designate accordingly.
3. Design conditions for a gift; create phases and milestones for subsequent donations.
4. Advise the charity in areas of need.

DELIVERABLES & FEES

The report is 40+ pages in length and contains an executive summary. Two copies will be made available and are included in the fee. Additional copies carry a nominal fee. It is based on extensive research and a 2+ day on-site visit. A flat fee is quoted for each engagement. Fees range from \$25,000 to \$75,000 depending on the size and complexity of the organization and issues to be investigated, plus out-of-pocket travel expenses.

BENEFITS

- ✓ Know what you are giving to ahead of making the gift—no surprises.
- ✓ In-depth understanding of the organization including its strengths and weaknesses.
- ✓ Enables strategic gift design.
- ✓ "No spin" businesslike report that tells it like it is.

CONTACT US

For more information on the *Due Diligence Report* or other products and services for committed and reflective philanthropists, please contact us at the address below.

**ORGANIZATIONAL ASSESSMENT
EVALUATION & DUE DILIGENCE REPORTS**

	<i>Charity Brief</i>	<i>Nonprofit Examination</i>	<i>Strategic & Operational Audit</i>	<i>Due Diligence Report</i>
Pages	2	8	15-20 & appendices	40+ & appendices
Contains	Businesslike, brief, comprehensive snapshot	Brief details in 70+ areas; evaluation; risk assessment	Detailed description in 11 categories	Comprehensive, in-depth description & issue analysis
Description	Brief	Short	Extensive	Extensive
Analysis	X	Medium	Substantial	Extensive
Nonprofit recommendations	Available separately	Available separately	Available separately	Extensive
Gift size/suitable for	✓ Small ✓ Opportunity comparison	✓ Medium ✓ Evaluate ✓ Diagnose issues	✓ Major or ongoing ✓ Identify areas to designate	✓ Very large ✓ Setting terms & conditions ✓ Advising a nonprofit
Functional Classification	Descriptive	Evaluative	Analytical	Investigative

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