

# Strategic & Operational AUDIT

## SITUATION

When a donor or potential donor wishes to obtain comprehensive insight into the current strategy and operations of an organization, the *Strategic & Operational Audit* can help. This may occur when a donor is contemplating a major gift, when one feels he/she has “lost touch” with the organization as it exists today, or when one wishes to identify problems and render advice. Also, a donor may request this product so a nonprofit has it on hand to provide to others who support, or are considering supporting, the organization.

## MARKET

Major donors, prospective donors, foundations, and corporate funders use this product. Because of the extent of work involved, clients seeking an *Audit* will typically be contemplating a large gift, or ongoing smaller gifts. The *Strategic & Operational Audit* can be used by the initiating donor and provided to the nonprofit for broader use with other donors, board members, and management.

## DESCRIPTION

This product is an in-depth analytical report that describes—in considerable detail—what the organization does, and how it does it. Like a financial audit, it is descriptive and analytical, not evaluative. It does not pass judgment or make extensive recommendations. It is a tool to help a donor understand and act. Eleven areas are covered:

1. Founding & Purpose
2. Strategy, Programs & Products
3. Governance
4. Leadership, Management & Human Resources
5. Planning & Resource Allocation
6. Finance
7. Fund Development
8. Technology
9. Legal & Risk Management
10. Marketing & Communications
11. General Program Effectiveness

Narrative information and quantitative data are blended in this analytical product. Brief consultation, recommendations, and referrals are available for the nonprofit, if the donor authorizes, as an additional service, usually as an *Advisory Memorandum*.

## PRODUCT USES

Likely uses include helping a donor:

1. Identify products, services or programs to support.
2. Design a gift to strengthen a particular program.
3. Share with other donors and board members to deepen understanding.
4. Advise the charity in an area of need.

5. Support the nonprofit by providing a tool to fill in “business” gaps in development presentations that focus on purpose and vision.

## DELIVERABLES & FEES

The report is 15-25 pages in length and contains an executive summary. Up to five copies will be made available, upon request, and are included in the fee. Additional copies carry a nominal charge. A flat fee is quoted for each engagement. Fees range from \$13,500 to \$17,500 for U.S. entities, depending on the size and complexity of the organization, plus out-of-pocket travel expenses. A one- or two-day site visit is included. An *Advisory Memorandum* with recommendations to the organization and/or donor is provided, if authorized, for an additional fee.

## BENEFITS

- ✓ Provides an in-depth understanding of a potential grantee—a fresh perspective.
- ✓ Fills in business details generally omitted in development presentations from organizations.
- ✓ Enables strategic giving based on a comprehensive, business-like analysis of the charity.
- ✓ The nonprofit receives independent observations and recommendations based on research (optional).

## CONTACT US

For more information on the *Strategic & Operational Audit* or other products and services for committed and reflective philanthropists, please contact us at the address below.

### ORGANIZATIONAL ASSESSMENT EVALUATION & DUE DILIGENCE REPORTS

	Charity Brief	Nonprofit Examination	Strategic & Operational Audit	Due Diligence Report
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

CALVIN EDWARDS  
& COMPANY  
*Maximizing the Good of Giving*

1200 Ashwood Parkway, Suite 140 Atlanta, GA 30338

PHONE 770.395.9425 EMAIL Info@CalvinEdwardsCompany.com