

Preliminary Questions To EVALUATE A NONPROFIT

As a donor gets acquainted with a new organization, there are some key questions that can be asked early on to ascertain if it is likely to be a good fit. The questions below are designed to solicit sufficient information to address these two broad issues:

- ✓ Is this an organization in which I am interested?
- ✓ Is it worthy of my support?

Several areas are not covered here, including research into the organization's legal status, review of finances, understanding the diversity of funding sources, an operational audit, detailed assessment of program effectiveness, membership in accrediting bodies, compliance with various external standards, and other matters.

Also, these high-level questions hardly allow comparison with alternate entities that may be worthy of support. A philanthropic consultant can perform these types of due diligence, if necessary.

PRE-QUALIFYING QUESTIONS

However, asking the following questions and listening closely to the answers will provide a good indication of whether a particular charitable organization is of interest and worthy of support.

1. WHAT DO YOU DO?

- ✓ What is the purpose of the nonprofit?
- ✓ What change in persons' lives do you seek to accomplish?

2. TO WHOM DO YOU DO IT?

- ✓ Whom do you serve? Where do they live? What are their characteristics and needs?

3. HOW DO YOU DO IT?

- ✓ What programs, products, or projects do you use to accomplish your purpose?
- ✓ How are your products or services "distributed" or marketed? How do the people you serve get to participate in your nonprofit?

4. HOW ARE YOU OPERATED?

- ✓ What are the qualifications of senior management?
- ✓ Who is on your board? How often does it meet and how involved is it?

5. HOW EFFECTIVE ARE YOU?

- ✓ What outcomes or measures of effectiveness can you provide?
- ✓ What "smart money" have you attracted to support your cause?

MAJOR DONATIONS

Further, detailed analysis is necessary for a major gift or a long-term commitment.

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