

Naomi Davenport and Lisa Gribling

## The importance of a fundraising audit

*For organisations that have little or no fundraising activity in place it is important to carefully evaluate the existing fundraising systems of the organisation to assess strengths and weaknesses and determine which areas should be developed in the short, medium and long term.*

A full fundraising audit will enable an organisation to raise more private money, align this with its artistic goals and aspirations, put in place the right organisational structure to support fund development, and build a sustainable and different financial model for the future. It can help to sharpen the organisation's case for support by asserting its importance and distinction, as well as promote its achievements. It can help strengthen stakeholder relations across the board and ensure ongoing sustainability and legitimacy for the organisation's artistic work. And importantly, it will help engage more people, more deeply, with an organisation's work.

Key area's to be evaluated:

- **The case and the product offering:** money and especially major gifts and sponsorships follow ambitious organisations who are clear about their future vision and their need. This requires a clearly agreed identity and brand platform that is reinforced across all aspects of the company. Donors like to know that their giving has impact, whilst urgency and need is what converts good will and warm feeling into realised giving.
- **The fundraising offer:** above all creating an 'offer' that engages and binds people with the 'personality' of the company is the way to create long-term commitment, through deeper engagement with individuals and value creation - in terms of distinctive and cumulative partnership benefits.
- **Relationships:** maintaining and building relationships is at the core of any fundraising effort. This is key with donors and prospects of all shapes and sizes (ensuring there are mechanisms to communicate on a regular basis). Building relationships and securing gifts is not simply about asking for money; it is about building trust, connections, and finding out what is important to those who you wish to enlist to give. To stand the best chance of success you need a properly evaluated and understood list – in one place – of all potential contributors at a ratio of 3:1 of what you need to raise. Consistent research and evidence based evaluation of your prospect list is vital and should cover three key areas: connection, capacity and motivation.

- **Organisational resource, infrastructure and strategy:** dedicated staffing for development is essential if you are to achieve your goals. Data capture, consistent review and efficiency are a core technical requirement to support fundraising efforts and reporting is accurate and timely. The expenditure budget should be 15-20% of how much you need to raise; this should cover all aspects including staffing and on costs in the early stages of activating a strategy.
- **The role of the board** should never be underestimated; peer-to-peer asking and introductions are the most powerful form of relationship in any fundraising effort. Those considering a gift to an organisation also look to see what its leaders are doing.

By reviewing the 'offer' of the organisation and its existing relationships, you can make an informed decision about which income streams are best to pursue, how to prioritise them, and at what level to pitch.

It should highlight what the organisation can offer to a potential funder, and therefore which types of funder this would most likely attract, or which fundraising streams need to be worked on to improve their offer, i.e. individual donors, corporate sponsors or trusts and foundations. It should also highlight which relationships are serving the organisation well and which need to be better nurtured/further developed. This is particularly important for small organisations with limited resource.

When reviewing existing contacts, don't just think about their potential to give, but consider in what other way they might be able to support the campaign, i.e. as an advocate/ ambassador. This may lead to further introductions and, subsequently, more substantial donations.

When reviewing existing activity, be realistic about what the return of investment (ROI) is to the organisation, i.e. how much time and money is being spent cultivating donors and offering them benefits versus the amount of money, from their donation, that will go directly to the organisation.

Be reasonable about what can be achieved in the short term, and what needs to be properly strategised in order to achieve long-term benefits.

By using the guidance on data capture, relationship building and budget expenditure, you can start to cultivate donors and build a strong network of supporters, strengthening the financial viability of the organisation and securing a sustainable future.

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