Annual Fundraising Audits

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Introduction

Dan Doyle: Dan Doyle is the Chief Evangelist at Fundraising Report Card. He is widely recognized for his nonprofit and fundraising leadership. Prior to joining Fundraising Report Card, Dan was the CEO of the integrated fundraising agency Mal Warwick + Donordigital where he counted as clients such notable organizations as the Democratic National Committee, Alzheimer's Association, Habitat for Humanity International, Earthjustice, CARE, National Organization for Women, the NAACP, PETA, and Human Rights Campaign to name just a few.

Zach Shefska: Zach is the COO at MarketSmart (the team behind Fundraising Report Card). He (plus a couple GREAT engineers) built Fundraising Report Card product from the ground up back in 2016/2017.

Today

1. Six simple steps to a fundraising audit

2. Questions & Answers

3. Additional Resources

4. Analytic Swag!

The Six Simple Steps

1. Start with the 5 most important metrics

2. Do some benchmarking

3. Reflect on what did and didn't work, list top 3

4. How can you do more of what worked?

5. How can you fix what didn't work?

6. Set your strategies for success

Who is your intended audience? Yourself, team, boss, board? What data story are you trying to tell? Answers to these questions will help frame your audit.

What are your metrics?

1. One size doesn't fit all

2. What are your program priorities: growth, efficiency, upgrading, etc.

3. Select those metrics that are most meaningful to where you are and what you are looking to do

4. There are a lot of resources online for what to measure and why. Here are a few:

   a. https://www.causevox.com/blog/fundraising-metrics-beginners/
   b. https://www.networkforgood.com/nonprofitblog/eight-ways-measure-fundraising-success/
   c. https://www.donorsearch.net/nonprofit-fundraising-metrics/

5 Most Important Metrics

1. Overall growth in dollars and donors

2. Donor Lifetime Value

3. New donors acquired and lapsed donors

4. Average donation amounts

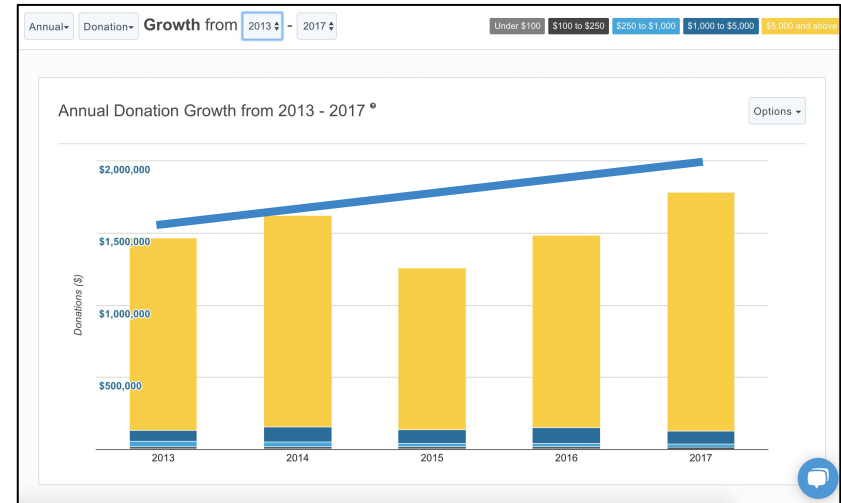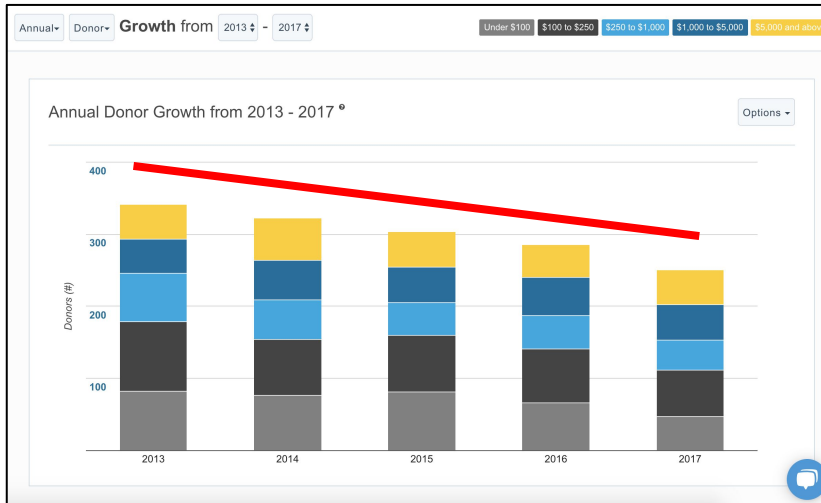5. Donor and donation retention rates

You might have other, more important metrics based on your program and priorities.
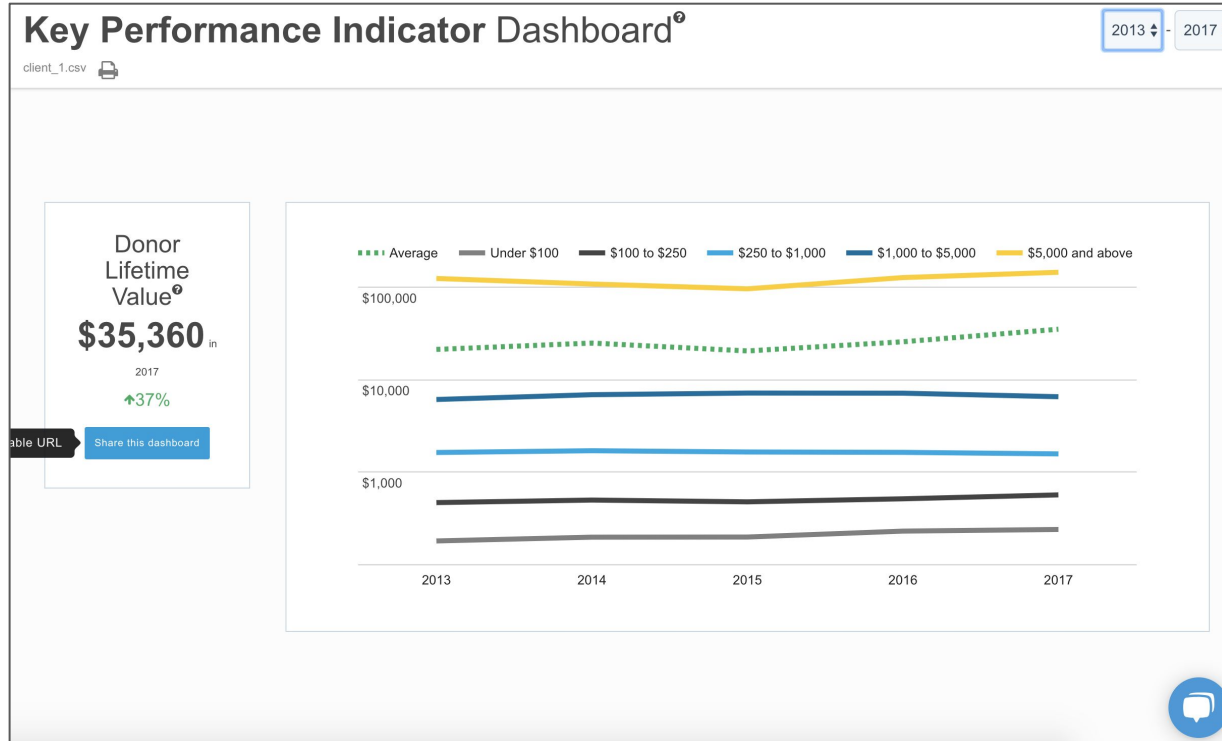
Why Look at Only 5 Years?
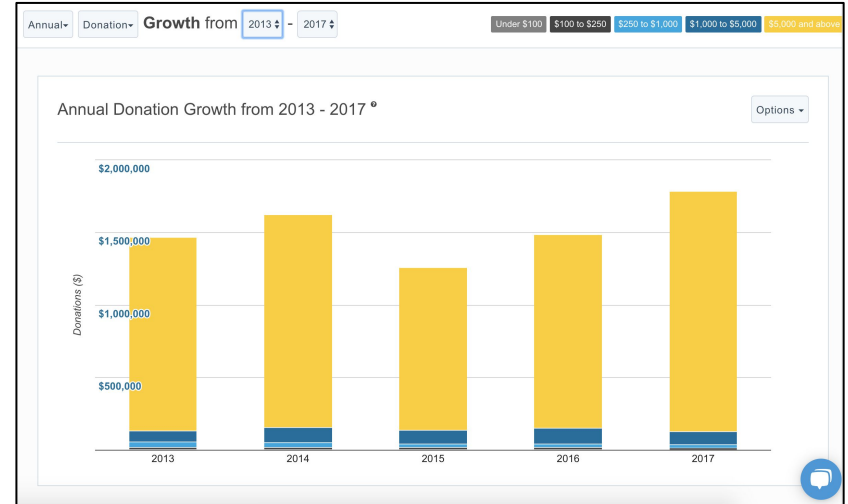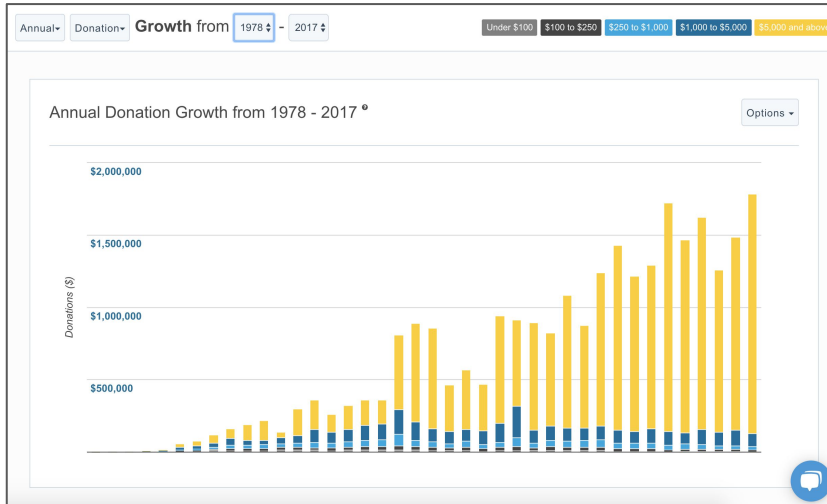
Data overload can prevent you from seeing important recent trends in your program. And recent performance is far more meaningful than distant performance.

Overall Growth in Donors & Dollars

Be sure and look at both donors and dollars! They can tell two entirely different stories in your program.

Donor Lifetime Value

Lifetime Value is critically important as it helps you understand the balance between current and future performance in your program.

New donors Acquired & Lapsed Donors
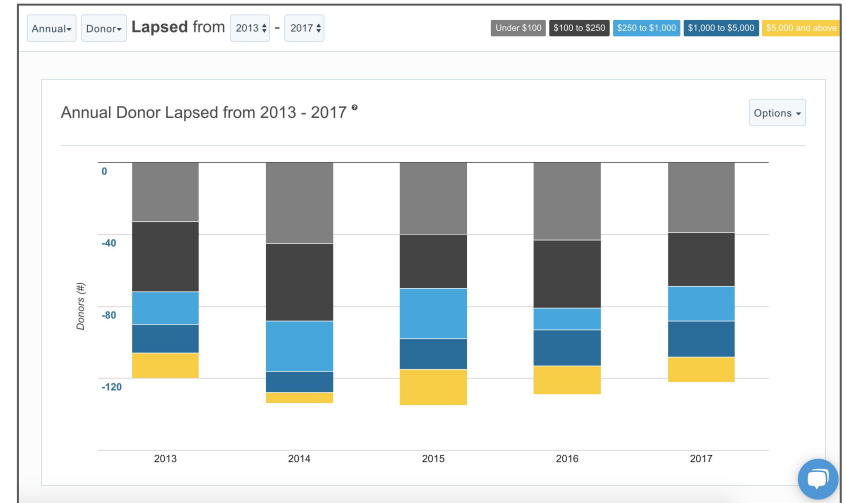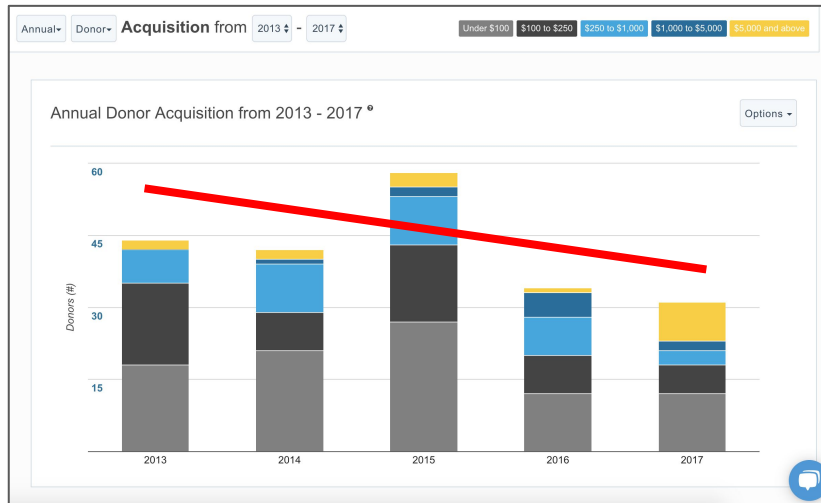
New donors acquired is an essential metric for any audit. And lapsed donors represent an opportunity to re-engage individuals in your mission.

Speaking of Lapsed Donors ...

We just published a short article on how to retain lapsed donors, which you can read here: https://fundraisingreportcard.com/retain-donors/

Average Donation Amounts
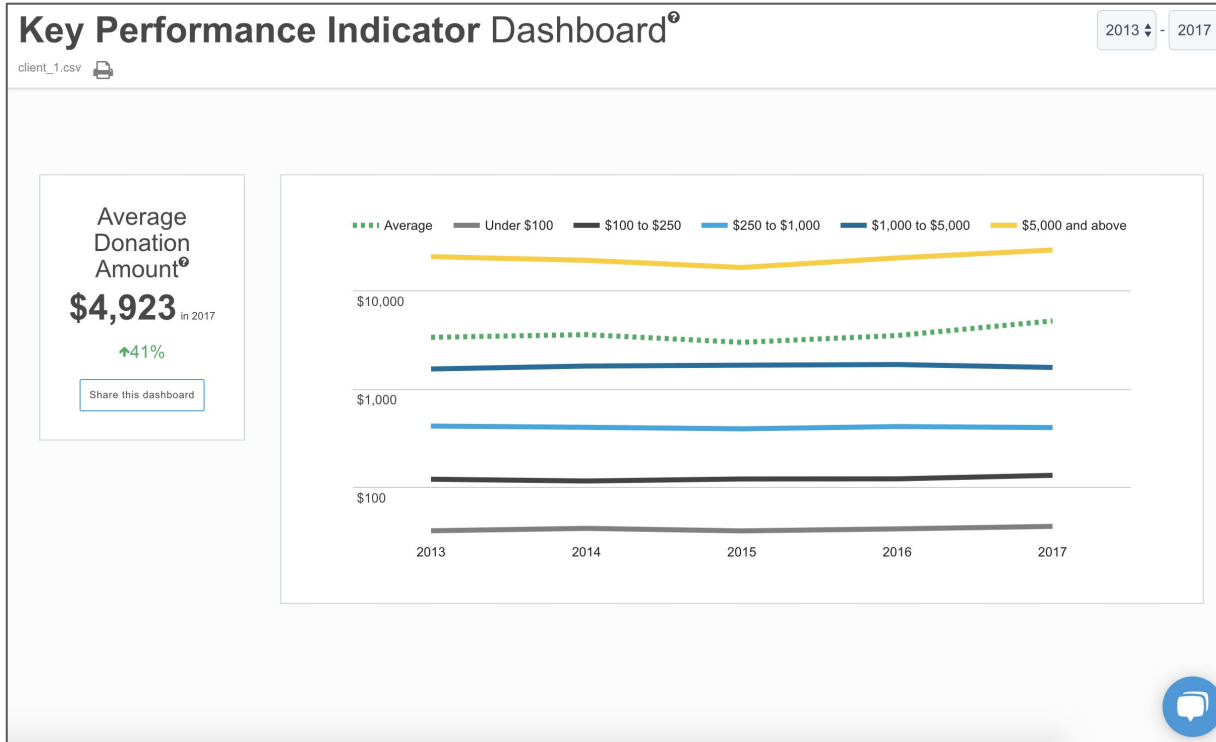
Measure your average donation amounts by giving levels that are meaningful to your organization. Do you have specific giving levels, clubs, etc. that impact donation amounts?

Donor & Donation Retention Rates
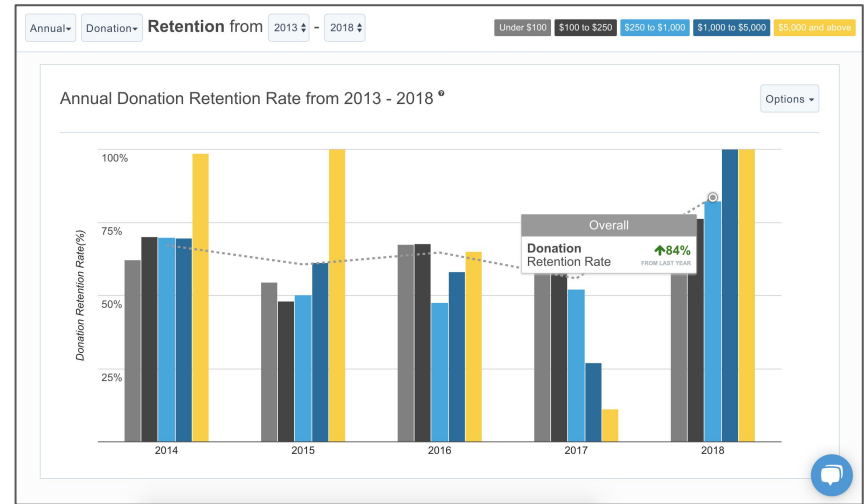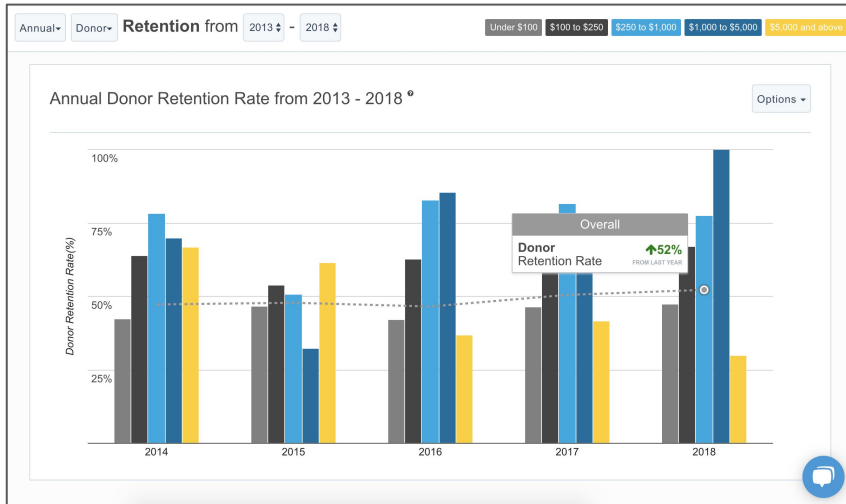
Retention is the new acquisition! And measure both donor and donation retention rates as they might tell different stories for your organization.

Do Some Benchmarking

1. What should you benchmark?
   a. Growth Year-Over-Year
   b. Retention Rates by Loyalty
   c. Average Gift Amounts
   d. Others?

2. Here are some resources:

   a. Fundraising Report Card: https://fundraisingreportcard.com/benchmarks/
   b. M+R Strategic Services (online): https://mrbenchmarks.com/
   c. Blackbaud: https://institute.blackbaud.com/asset/2017-charitable-giving-report/

3. And don't forget, with each internal metric you are actually benchmarking against your own past performance … and that's important also.

What did and didn't work?

1. Keep in mind the priorities you established for the year

2. Involve others (direct reports, boss, outside individuals)

3. Focus on your top three opportunities and challenges

An example …

1. At the Alzheimer's Association I was called in to help fix a program in decline after an extensive external audit.

2. There were nearly 100 recommendations for what was wrong and should be fixed.

3. If everything is a priority then nothing is a priority.

4. We focused on the top 10 items and most of the others went away.

How can you do more of what worked?

1.   Leverage learnings across your fundraising program.

2.   Look for what will produce the biggest impact for your program.
     a.   Remember the Pareto Principle of 80/20.

3.   Make sure you are focused on the end-game for your program. Are your tactical learnings helping you accomplish your strategic objectives?

An example ...

Annual Segmented Retention Rate from 2013 - 2018

— Overall Donor Retention — First-time Donor Retention — Repeat Donor Retention — Reactivated Donor Retention

Donor Retention Rate(%)

60%

40%

20%

First-time Donor

| First-time Donor | **30%** |
| Retention Rate | IN 2018 |

2013   2014   2015   2016   2017   2018
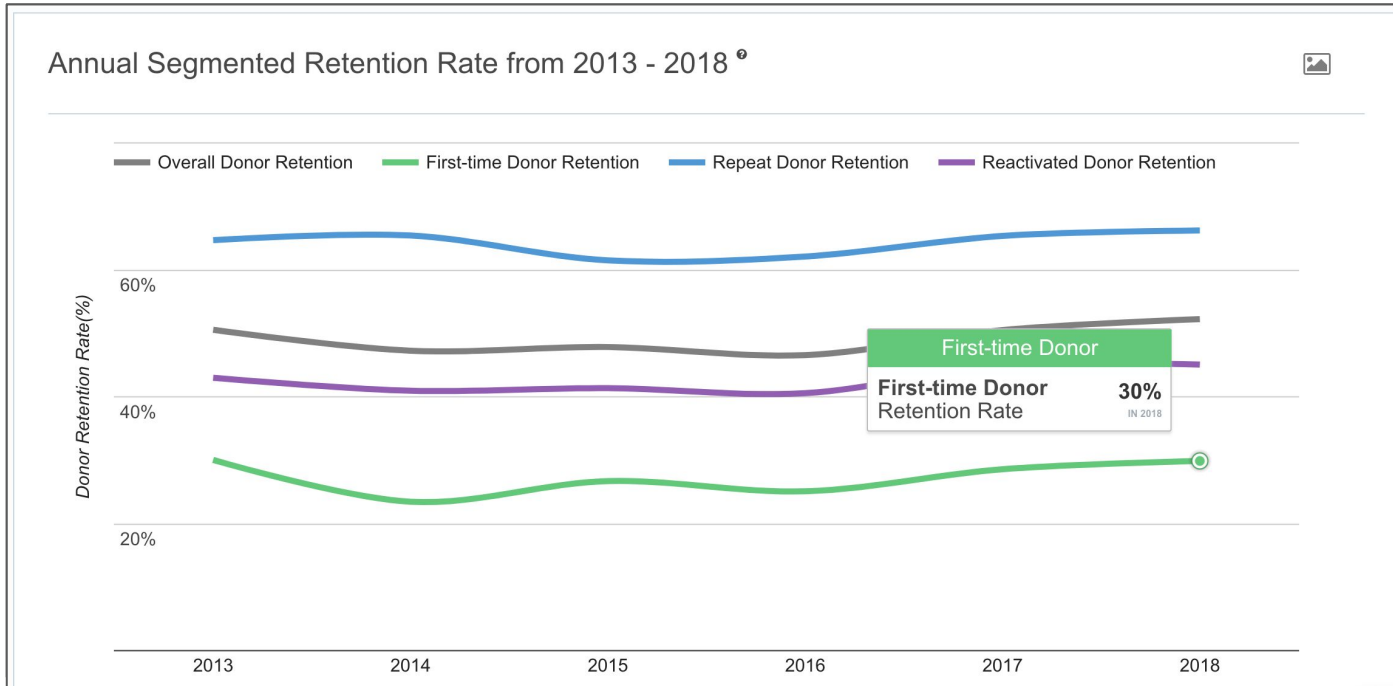
1) Welcome series introduced in 2015;
2) First-time donor retention rates increased 5 basis points;
3) Continue to invest in welcome series for new donors.

How can you fix what didn't work?

1. See your challenges as opportunities.

2. Create your "stop doing" list.

Set your strategies for success …

1. What is your data *story* when you look back?
    a.   https://fundraisingreportcard.com/outcomes/

2. What are your opportunities in the coming year?
    a.   https://fundraisingreportcard.com/data-driven-fundraising-goals/

3. How did your audit support these?
    a.   https://fundraisingreportcard.com/data-driven-fundraising-plan/

4. How do you plan on sharing this with others?
    a.   https://fundraisingreportcard.com/fundraising-metrics-for-the-board/

At the end of this process you should understand where you have been, where you want to be, and how you are going to get there.
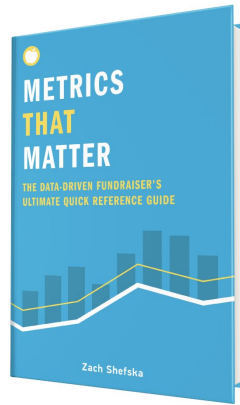
Questions & Answers

Additional Resources

1. https://www.neoncrm.com/diy-fundraising-audit/

2. https://bloomerang.co/images/uploads/fundraising_audit_checklist.pdf

3. https://studyfundraising.info/fundraising-planning-the-fundraising-audit/

Analytic Swag!

1. **DISCOUNT**: 25% Discount on any Pro Version of Fundraising Report Card

2. **FREE:** E-Book: Metrics that Matter: https://fundraisingreportcard.com/data-driven-fundraiser-book/

3. **PODCAST**: Check us our at: https://fundraisingreportcard.com/podcast/

Thank You!

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