Donor Decision Tool: Questions to Ask When Researching a Nonprofit

As you embark on getting to know your potential grantees, you may find it helpful to keep these key questions in mind:

### Strategy and results

- **What is the organization's mission and strategy?**
  - Does the organization’s strategy support your vision for creating change?
  - How has the organization defined the problem it is trying to solve?
  - Has the organization matched its goals to its approach to achieving them?

- **How effective are the organization’s programs?**
  - What evidence of its outcomes does the organization have?
  - Does the organization have support from external experts in the field?
  - Does the organization have a clear definition of success?
  - What metrics does the organization track to know if it is succeeding?
  - How does the organization use the data it collects to learn and make decisions?

- **Does the executive director have a vision for the organization? Does he or she have a personal track record of success?**

- **Is the leadership team able to effectively guide the organization? Can it maintain focus, make tough decisions, and inspire staff?**

- **Is the board effective, engaged, and aligned with the leadership team?**

- **Is there a succession plan in place for key people, such as the executive director?**

### Leadership

- **How strong is the potential grantee’s financial management?**
  - Does the financial management team have the requisite experience and judgment?
  - Does the organization have systems in place to evaluate its financial progress?

- **Does the organization have a solid strategy to raise revenue?**
  - What percentage of costs is covered by reliable funding sources?
  - What restrictions have donors placed on their funding?
  - How concentrated are revenue sources?
  - What plans, if any, does the organization have in place to become financially sustainable (if it is not already)?

- **Does the organization have enough cash on hand to weather an unexpected storm?**

### Financials

- **How effectively can the leadership team work together to translate priorities into initiatives?**

- **Does the organization have a clear and effective decision-making process?**

- **Is the organization able to attract and retain talented people? Do staff receive the training and opportunities they need to do their jobs well?**

- **Does the organization have the technology systems and human resources needed to operate effectively?**

- **Do staff appear committed to the organization and to improvement, where necessary?**

### Organization and operations

- **How well is the potential grantee’s technology working?**
  - What technology do they have in place?
  - How effective is it?

- **What is the potential grantee’s operating plan?**
  - What is the plan for development?

- **How clearly is the organization communicating its impact?**
  - What evidence of its outcomes does the organization have?
  - How are these communicated to stakeholders?

- **Is the organization transparent and accountable?**
  - Are they providing regular updates on their progress?
  - Are they responsive to feedback?

- **What is the potential grantee’s reputation?**
  - How are they perceived by others?

- **What is the potential grantee’s track record?**
  - How long have they been operating?
  - What successes have they had in the past?

- **What is the potential grantee’s future potential?**
  - How do they plan to grow?
  - What challenges do they face?

- **What is the potential grantee’s financial health?**
  - How strong is their financial position?
  - What is their debt level?

- **What is the potential grantee’s management style?**
  - How do they approach decision-making?
  - What kind of culture do they foster?

- **What is the potential grantee’s leadership style?**
  - How do they lead their teams?
  - What kind of leadership style do they have?

- **What is the potential grantee’s organizational culture?**
  - How do they promote a positive work environment?
  - What kind of culture do they have?

- **What is the potential grantee’s mission?**
  - What is their purpose?
  - How do they define success?

- **What is the potential grantee’s strategy?**
  - How do they approach their work?
  - What is their approach to solving problems?

- **What is the potential grantee’s vision?**
  - What do they want to achieve?
  - What is their ultimate goal?

- **What is the potential grantee’s impact?**
  - How do they measure their impact?
  - What are their successes?

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Donor Decision Tool: Summary of Research

The exciting process of getting to know grantees puts you at the risk of an information overload. It is helpful to come up for air every once in a while. Use this worksheet to keep track of your findings and your open questions.

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