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?

Leadership

- **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?**

Financials

- **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?**

Organization and operations

- **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?**

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.

Key area	Overall impression	Anything else needed to make a decision?	How my investment could help
Strategy and results			
Leadership			
Financials			
Organization and operations			
Overall summary			