



## Due Diligence Checklist

As you receive proposals and begin to interact with non-profit organizations, the following questions can help you make evaluations and assessments.

### Assessing strategy

- Does the organization know what it wants to accomplish?
- Is there a strategic plan? How is it being implemented?
- Does the organization have a demonstrated track record of success?
- Do the organization's programs lead to tangible outcomes?
- Are the goals of the organization ambitious and achievable?
- Do all staff understand what the organization is trying to achieve?
- Does the organization possess a deep understanding of the problem it is addressing?
- Does the organization consider the needs and interests of the populations and communities it serves?
- Is the organization's theoretical knowledge coupled with relevant experience in the field?
- Is the proposed project a genuine priority for the organization?

### Assessing operations and administration

- How effectively do the leadership team and employees work together to translate priorities into initiatives?
- Does the organization have sound internal operations and procedures?
- Does the organization have a clear and effective decision-making process?
- Is there enough capacity and capability (e.g., financial resources and staff) to deliver programs and services successfully?
- Is the organization able to attract and retain talent? Do staff receive the training and opportunities they need? Do they appear committed to the organization?
- Are the programs of the organization sustainable?
- Does the organization have backing from external experts?
- Does the organization collaborate with peer non-profits?
- Has the organization identified its main risks? How do they plan to mitigate them?

### Assessing results

- Does the organization have a positive reputation?
- Does the organization have a clear definition of success?
- How does the organization evaluate the outcomes of its programs and services? What metrics does it use?

- How does the organization use the data it collects to learn and make decisions?

## Assessing finances

- Is the organization financially stable?
- Does the organization have a sound financial management system?
- Does the organization have a robust and diversified revenue base?
- Is there a fundraising plan in place and how is it being implemented?
- Will your grant, along with other support, provide adequate resources to cover your project?

## Assessing leadership

- Does the organization have strong and skilled leadership?
- Does the executive director or CEO have a vision for the organization? Does he or she have a personal track record of success? Does the organization appear to be well-managed?
- Does the leader make a concise and compelling case for the organization's work?
- Can the leadership team maintain focus, make tough decisions, and inspire staff at the same time?
- How reliant is the organization on one key "visionary" leader? Is there a succession plan in place for key people?
- Does the organization have a strong and engaged governing board? Is the board effective and aligned with the leadership team?
- Can you talk to leadership, board members and other donors to gauge the organization's commitment to donor stewardship?

## Consider a site visit

As part of the due diligence process, a site visit may be warranted when:

- You are seriously considering a grant that would constitute a significant portion of an organization's budget.
- Your grant would go toward a specific project or a new project.
- Even though your grant is modest, you plan to initiate a long-term engagement with the organization.

Best practices for planning your visit include:

- Giving the executive director or representative you are meeting ample notice and a sense of your timeframe and goals, so the organization knows how to prepare.
- Arriving well-informed about the organization and any grant proposals submitted to you.
- Thoroughly thinking through all of the questions you have for the organization and bringing a list with you. You may even find it efficient to send your questions in advance, so the organization can be better prepared to answer them during your visit.