

## Annual Fund Audit And Plan

### ANNUAL AUDIT PLAN

Albert Einstein once defined insanity as repeatedly doing the same things and expecting different results. Many organizations seem to fall into that definition from time to time, by constantly repeating themselves, when they already know their activity is not accomplishing their goals.

The annual fund audit is a systematic examination of all aspects of an annual fund program asking these general questions:

- What are the fundraising goals and needs of the organization? How are they set? How do we know they are realistic?
- What is being done to achieve them?
- Why is it being done that way?
- How successful is the program?
- What are the obstacles and challenges?
- How could it be done better?

At all points, the answers are considered in light of two key considerations: the body of knowledge about what works well in annual fund programs, and the specific situation and unique nature of the organization.

By evaluating the effectiveness of current activity, the organization lays the basis for planning improvements that lead to a more effective annual fund program, and, therefore, to higher revenue.

The audit concerns itself with, among other things:

- case for support;
- organizational strategic plans;



- fund-raising strategies and plans;
- donor base analysis and use;
- methods of solicitation;
- results of solicitation;
- management reporting;
- donor services;
- communications.\*

\* This refers to certain key communications. A parallel track can be taken separately or simultaneously evaluating constituency communications in depth.

## **ANNUAL FUND PLAN**

Annual fund planning is built on the recognition that donors vary greatly in their level of interest and commitment, their financial capacity, their reasons for giving, and that not everyone responds to the same kind of approach. An annual fund plan helps an organization apply good fundraising practice to a very diverse constituency, in systematic, efficient and effective ways.

An annual fund plan should address these areas as a minimum:

### Operations

Case for Support (update at least annually)

Systems & Services

Staffing

Ongoing Evaluation

Budget

### Solicitation

Direct Mail Program

Major Gift Program

Planned Giving Program

Foundation Solicitation



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When planning the solicitations, one will want to ask at least these questions:

- Who supports us now?
- Why do they support us?
- How will we retain the support of all?
- How will we increase the support of some?
- Who might support us?
- How do we approach them?
- What resources do we need (systems, equipment, materials, people)?
- How will we keep them informed?
- How will we thank and acknowledge them?
- What is our timetable (calendar) for each element and for the program as a whole?
- Who is responsible for each element?

The planning process is ongoing: an organization should always know its plan for a year or more in advance. Changes occur constantly, but without a plan to change, programs become unfocused and much less productive.

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