

TEST FOR ENDOWMENT READINESS

Embarking on an endowment-building program is a serious venture. Board and staff leadership can take the following test to gauge their readiness.

Range of Score	Your Organization's Score	
0-5	_____	1. A sound <i>plan</i> for the future
0-5	_____	2. A case statement of <i>needs & goals</i> drawn from this plan
0-5	_____	3. An informed <i>constituency</i>
0-5	_____	4. A history of market <i>involvement</i> – in other words, you're doing your job right
0-5	_____	5. A history of <i>major gift support</i>
0-5	_____	6. A <i>prospect development plan</i> – a research system
0-5	_____	7. An efficient <i>record keeping system</i>
0-5	_____	8. A creative, functioning <i>communications plan</i>
0-10	_____	9. Competent <i>staff</i> – time and training
0-15	_____	10. An involved, concerned, contributing <i>board of directors</i>
0-15	_____	11. Potential <i>lead gift contributors</i>
0-20	_____	12. Capable <i>volunteer leadership</i>
Total:	_____	

A score below 60 would indicate that the organization is not ready to mount an endowment campaign. The campaign should be delayed to allow for planning, or preparation work to support each of the elements with a low score. Although some campaigns will be successful if all readiness indicators aren't present, these exceptions should not constitute the rule.

**TEST FOR READINESS:
AN ORGANIZATION ASSESSMENT QUESTIONNAIRE TO USE WHEN
CONSIDERING ENDOWMENT FUNDRAISING**

1. **Organization plans:** Does the organization have a written, strategic plan that charts its course for five years, starting with a statement of mission, goals, and objectives, then moving into specific programs and budgets? Have board members committed themselves to meeting the financial needs of the plan which must come through fundraising?
2. **Written statement of case, needs and goals:** Case is defined as reasons why one should give to the organization. Does such a written statement(s) for endowment fundraising exist? Are members of the board, staff, and other key leaders able to express the case in exciting terms that communicate their own commitments?
3. **Constituency:** Has the organization defined a constituency beyond those “intimately and naturally” involved with its programs? Has it developed an outreach program to increase the constituency? Has it analyzed the makeup of the constituency for endowment fundraising purposes?
4. **Market Involvement:** Does the organization have a marketing plan with effective implementation? Is the organization known & respected through the community?
5. **Gift support history:** Does the organization have experience in attracting gift support for current programs (an annual fund), for capital purposes, and/or for endowment? Does this experience include raising major gifts?
6. **Prospect development plan:** Does the organization know who its potential givers are? Has research on prospects and donors (particularly at the major gift level) been conducted over the years with all information properly recorded and retrievable for use by volunteers and staff involved in fundraising?
7. **Efficient record keeping system:** Is a proper donor and prospect record keeping system in place that provides storage and retrieval of essential data on the constituency in a timely fashion? Will the system support the acknowledgement of all contributions within 48 hours of receipt?
8. **Communications:** Is there a constituency-wide communications plan to involve people in a warm, supportive relationship with the organization? Are present donors considered a special constituency for communications and their involvement, through two-way communications, carefully developed?
9. **Fundraising staff:** Is competent, qualified staff available to plan fundraising programs and to provide support to volunteers? Is this staff able to devote its energy and time to the fundraising function?

10. **Involved governing board:** Has the board had an active role in governing the organization: planning; defining, approving, and clarifying policy; overseeing management resources; and generating resources through fundraising? Are board members willing to give and ask others to give?
11. **Fundraising leadership:** It is axiomatic that causes do not raise money; people with causes raise money. Does the organization have, as part of its most actively involved constituencies, that quality of volunteer leadership – creative leadership – that will help to raise the money required?

Adapted with permission from:
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Further Notes on Endowment Readiness:

Fiscal Health

Before embarking upon an endowment program, it is crucial that the organization demonstrate its fiscal health and stability. Endowment donors want to know that current needs are being met, and that emergency fundraising efforts are not taking place. An organization should be able to show that it has a secure budget through the next three years. Endowment donors want to know that the services of a charity will still be needed for years to come, and that the charity will still be operating many years from now.

Board Support

Trustees must be supportive of and involved in fundraising projects. Endowment fundraising will require a special commitment over the long-term from the board, and indeed the board may comprise most of the initial donors to begin the endowment.