Due Diligence In Grantmaking

Effective philanthropic funders can have a profound impact on nonprofit organizations and the people they serve. Every contribution you make has the potential to drive positive change in the community. When considering a charitable gift to a nonprofit organization, there are some questions you can ask to ensure the gift will be used in a way that achieves your desired philanthropic goals and is wisely stewarded for the community.

What is the organization's mission and how does it align with your giving strategy and objectives?

Healthy organizations should be able to clearly articulate their purpose and demonstrate how they bring that purpose to life through their programs. Every organization should have a clear roadmap of tangible steps they are taking to achieve their set goals and objectives.

What impact is the organization having on the people and communities they serve?

Nonprofits should be able to demonstrate their progress by sharing impact metrics. It's important to look for transparency with outcome reporting, to ensure the organization is measuring their progress and is accountable for the funding they receive.

Is the organization transparent about their finances?

Donors should be able to easily access a nonprofit's financial statements and tax returns, as it is an IRS requirement to make them available to the public. Typically, an organization will provide these on their website. Alternatively, you can find them on a third-party evaluator like GuideStar or Charity Navigator.

Does the organization align with my personal values and beliefs?

Any donation you make has the potential to reflect you and your family (unless you remain anonymous in your giving). It's important to review the organization to ensure you feel comfortable aligning with their values and belief statements. Take the time to review the organization's social media content and those of their key leaders. Look for how they recognize donors to ensure you are comfortable being recognized in their donor recognition forums.