

Grantmaking Basics: *Due Diligence, Form 990 Review & Site Visits*

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presented by

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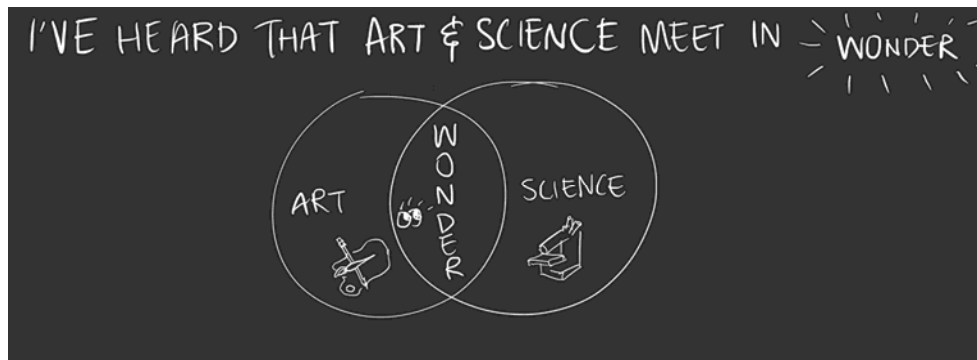
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Learning Agenda

Attendees will:

- Examine approaches to assessing applicants and proposals
- Learn the important parts of reading a Form 990
- Understand the framework of a good site visit



due diligence =
objective data + insight + intuition

Setting the Stage

Understanding

- culture/values/philosophy
- strategy
- field/issue

...will support your due diligence work.

The Process



Source: *Due Diligence Done Well*, La Piana Consulting, ©2010 Grantmakers for Effective Organizations

Review Materials



- Written application
- Supporting documents
- Previous grant files (if applicable)

Conduct Research



- Research the organization
- Research the issue

Engage in Dialogue



- Phone interview
- Office/Site visit
- Community events

More Research



- Fact-check
- Cross-check
- Gut-check

Analyze

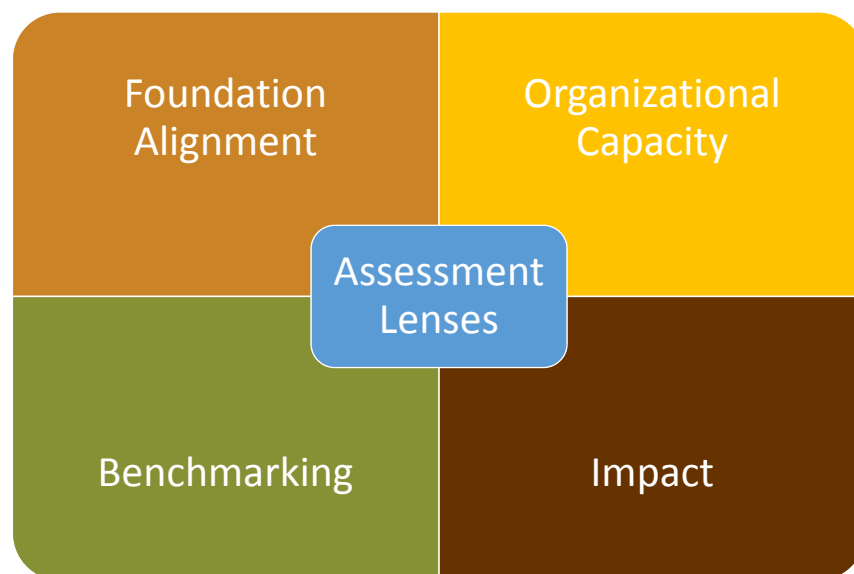


- Alignment
- Likelihood of success
- Final recommendation (if applicable)

Present Findings



- Spotlight strengths & challenges
- Rationale for final recommendation
- Considerations for next steps



Foundation Alignment

- Mission
- Geography/History
- Culture/Values
- Relationship
- Strategy

Organizational Capacity

- | | |
|------------------------|---------------------------|
| ➤ Governance | ➤ Fund development |
| ➤ Staff leadership | ➤ Communication/marketing |
| ➤ Financial management | ➤ Programs |
| ➤ HR/legal | ➤ Impact |

within context of organizational life cycle

Emerging.....Established

Benchmarking

- Against best practices
- Against past performance
- Against peers nationally
- Against peers within portfolio



Impact

- Demonstration of past success
- Strength of evaluation plan
- Assessment of evaluation capacity

Tools



Discussion

- Which of the assessment lenses is a good fit for your foundation?
- What due diligence tools does your foundation use?
- What do you find to be the most challenging part of the due diligence process?

Risk Assessment

- Public charity status
- Legal compliance
- Leadership changes
- Reputation



A Note on Streamlining Due Diligence

Myths

- “We must get the same due diligence materials from each grantee.”
(a.k.a. one size fits all)
- “We must complete all due diligence at the beginning of the grantmaking process.”
- “We need to have a copy of grantseekers’ IRS determination letter and Form 990 in every file.”
- “More is better.”

Source: *Project Streamline, Guide to Streamlining Series, Due Diligence*, ©2011 Grants Managers Network

Parting Messages

- ▶ Relationships & trust
- ▶ Clear expectations
- ▶ Communication, communication, communication

Resources

- ▶ Due Diligence Done Well, La Piana Consulting
©2010 Grantmakers for Effective Organizations
- ▶ Project Streamline, Guide to Streamlining Series, Due Diligence
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