



Endowment-Building Readiness Checklist

Adapted with permission from Helen Monroe, Endowment Development Consultants
by Cumberland Community Foundation

The following criteria should be reviewed by your organization to determine readiness to build an endowment fund.

Key criteria:

➤ **Financial stability**

The organization has had positive year-end balances for the past three years.

The organization has a yearly fund raising plan.

➤ **Diverse income sources / community support**

The Board members contribute financially.

The organization has a strong donor base (individual gifts).

The organization has good donor relations.

➤ **Operating reserves**

The organization has reserve funds.

Organizations should have operating reserves for emergencies before building an endowment.

➤ **Engaged board of directors**

The board members contribute annually.

Board members actively are involved in fund raising activities.

Endowment-Building Readiness Detailed Questions

A. An agency embarking on an endowment campaign needs a strong sense of itself as well as a positive image within the community.

1. State your organization's mission.
 - a. How often is the mission reviewed?
 - b. Who reviews it?
2. List your current programs and services and illustrate how they serve your mission.
3. List your goals and objectives for the current operating year and share (attach) a copy of your long range goals.
4. Describe, using actual quantitative numbers, how your organization impacts the local community.

B. Financial stability of the organization is essential to endowment building.

1. Are your current operations financially stable? Explain.
2. Have you operated on a balanced budget over the last three (3) years? If not, why not?
3. What are your current funding sources?
 - a. What percentage of your total budget is generated by each source?
4. Please list your annual fund raising goals for the past three (3) years.
 - a. Did you make your goals? If not, why not?

C. Timing of an endowment campaign is essential.

1. Have you had any recent major staff changes?
2. Are all of your board positions filled?
 - a. What is your board member turnover rate per year?
3. Are there any major issues within your organization which might negatively impact your ability to conduct a successful endowment campaign?

D. Committed and responsible board members and staff interested in learning about charitable giving and supporting staff are essential for an endowment campaign.

1. What percentage of your board members contributed to your organization last year?
2. How is your board committed to this endowment concept?
 - a. What would be the board responsibility in raising endowment funds?
 - b. Who would be the lead board member (contact) on this project?
3. What will be the staff's role in raising endowment funds?
 - a. Who would the lead staff person be on this project?
 - b. How much time do they have to commit to an endowment fundraising project?
 - c. What experience or education does your lead staff have in development and fundraising?

E. Endowments should be established for a purpose.

1. What is the purpose of your endowment?