

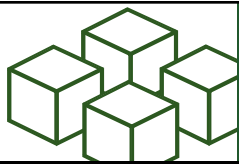
Levels of Due Diligence

The purpose of *Excellence in Giving* performing due diligence is to provide clients with the desired level of confidence prior to making significant charitable gifts. Each client selects the level of due diligence necessary for them to give confidently to organizations/projects which have a high probability of success.

<div>Level 1</div> <div>\$2,000 - \$3,000</div> <div>Time*: 3 wks</div>	<div>Basic Organizational Evaluation™<div>suggested for gifts under \$25,000</div></div> <div>The Basic Organizational Evaluation™ validates the financial accountability and sustainability of the organization and assesses its current status and growth plans.</div> <div><div>Level 1</div><div><div><div><div><input checked="" type="checkbox"/> Review 3 years of annual reports</div><div><input checked="" type="checkbox"/> Analyze quality controls</div></div><div><div><input checked="" type="checkbox"/> Review 3 years of IRS 990 forms</div><div><input checked="" type="checkbox"/> Review Analytical Overview</div></div><div><div><input checked="" type="checkbox"/> Analyze program models and results</div><div><input checked="" type="checkbox"/> Phone interview with COO/CF0</div></div></div></div></div>
<div>Level 2</div> <div>\$5,000 - \$7,000</div> <div>Time*: 3-5 wks</div>	<div>Intermediate Organizational Evaluation™<div>suggested for gifts between \$25,000 and \$75,000</div></div> <div>The Intermediate Organizational Evaluation™ assesses the organization's (1) Strategy, (2) Finances, and (3) Impact. In addition to the Level 1 analysis of financial and organizational health, the probability of successful outcomes is calculated based on organizational strategy, program models, and operating history.</div> <div><div><div>Level 1</div><div><div><div><div><input checked="" type="checkbox"/> Review 3 years of annual reports</div><div><input checked="" type="checkbox"/> Analyze quality controls</div></div><div><div><input checked="" type="checkbox"/> Review 3 years of IRS 990 forms</div><div><input checked="" type="checkbox"/> Review Analytical Overview</div></div><div><div><input checked="" type="checkbox"/> Analyze program models and results</div><div><input checked="" type="checkbox"/> Phone interview with COO/CF0</div></div></div></div><div><div>Level 2</div><div><div><div><input checked="" type="checkbox"/> Analyze Strategic Plan</div></div><div><div><input checked="" type="checkbox"/> Analyze financial audits/budgets</div></div><div><div><input checked="" type="checkbox"/> Analyze 3 years of recent board minutes</div></div></div></div></div></div>
<div>Level 3</div> <div>\$10,000 - \$13,000</div> <div>Time*: 5-7 wks</div>	<div>Detailed Organizational Evaluation™<div>suggested for gifts between \$75,000 and \$200,000</div></div> <div>The Detailed Organizational Evaluation™ assesses the organization's (1) Strategy, (2) Governance, (3) Finances, and (4) Impact. In addition to the Level 2 analysis, Senior leadership, board members, organizational operations, and measures of effectiveness are evaluated by the Impact and Organizational Assessment.</div> <div><div><div><div>Level 1</div><div><div><div><div><input checked="" type="checkbox"/> Review 3 years of annual reports</div><div><input checked="" type="checkbox"/> Analyze quality controls</div></div><div><div><input checked="" type="checkbox"/> Review 3 years of IRS 990 forms</div><div><input checked="" type="checkbox"/> Review Analytical Overview</div></div><div><div><input checked="" type="checkbox"/> Analyze program models and results</div><div><input checked="" type="checkbox"/> Phone interview with COO/CF0</div></div></div></div><div><div>Level 2</div><div><div><div><input checked="" type="checkbox"/> Analyze Strategic Plan</div></div><div><div><input checked="" type="checkbox"/> Analyze financial audits/budgets</div></div><div><div><input checked="" type="checkbox"/> Analyze 3 years of recent board minutes</div></div></div></div><div><div>Level 3</div><div><div><div><input checked="" type="checkbox"/> Categorize investor concerns</div></div><div><div><input checked="" type="checkbox"/> Analyze organizational structure</div></div><div><div><input checked="" type="checkbox"/> Impact & Organizational Assessment</div></div></div></div></div></div></div>
<div>Level 4</div> <div>\$16,000 - \$20,000</div> <div>Time*: 7-9 wks</div>	<div>Complete Organizational Evaluation™<div>suggested for gifts between \$200,000 and \$500,000</div></div> <div>The Complete Organizational Evaluation™ provides a comprehensive assessment of an organization's (1) Strategy, (2) Governance, (3) Finances, (4) Impact and (5) Communication and Technology. An on-site assessment is conducted at the headquarters and/or project location(s) after initial data analysis.</div> <div><div><div><div>Level 1</div><div><div><div><div><input checked="" type="checkbox"/> Review 3 years of annual reports</div><div><input checked="" type="checkbox"/> Analyze quality controls</div></div><div><div><input checked="" type="checkbox"/> Review 3 years of IRS 990 forms</div><div><input checked="" type="checkbox"/> Review Analytical Overview</div></div><div><div><input checked="" type="checkbox"/> Analyze program models and results</div><div><input checked="" type="checkbox"/> Interviews with Senior Leadership</div></div></div></div><div><div>Level 2</div><div><div><div><input checked="" type="checkbox"/> Analyze Strategic Plan</div></div><div><div><input checked="" type="checkbox"/> Analyze financial audits/budgets</div></div><div><div><input checked="" type="checkbox"/> Analyze 3 years of recent board minutes</div></div></div></div><div><div>Level 3</div><div><div><div><input checked="" type="checkbox"/> Categorize investor concerns</div></div><div><div><input checked="" type="checkbox"/> Analyze organizational structure</div></div><div><div><input checked="" type="checkbox"/> Impact & Organizational Assessment</div></div></div></div><div><div>Level 4</div><div><div><div><input checked="" type="checkbox"/> Review staff and board bios</div><div><input checked="" type="checkbox"/> Analyze marketing plan</div></div><div><div><input checked="" type="checkbox"/> Compare peer organizations</div><div><input checked="" type="checkbox"/> Analyze fundraising plan</div></div><div><div><input checked="" type="checkbox"/> Site visit to HQ and/or project site(s)</div><div><input checked="" type="checkbox"/> Identify strategic funding options</div></div></div></div></div></div></div>
<div>Level 5</div> <div>starting at \$25,000</div> <div>Time*: 3 mos</div>	<div>Comparative Industry Analysis<div>suggested for cumulative gifts above \$500,000</div></div> <div>The Comparative Industry Analysis situates the financial status, program accomplishments, and organizational model among peer organizations in the same sector.</div> <div><div><div><input checked="" type="checkbox"/> Includes all level 4 analysis and activity</div><div><input checked="" type="checkbox"/> Compare organization to Level 1 analysis of 2-4 peer organizations</div></div></div>

* All completion times subject to the timely submission of data by the organizations under evaluation

** International travel expenses plus \$1,000 per day of work performed internationally is not included in the above prices.



Levels of Due Diligence

What does EIG evaluate?

At each level of due diligence Excellence in Giving evaluates the following characteristics of an organization at different degrees of detail:

<u>TOPIC</u>	<u>EXAMPLE INQUIRY</u>
• Governance	Is there accountability between staff and an experienced and diverse board?
• Strategy	Does the organization have a detailed and long-term strategic plan?
• Impact	Has the organization commissioned independent surveys of long-term impact on people?
• Finances	Does the organization maintain low debt and healthy cash reserves?
• Sustainability	Has the organization finished 3 of the last 4 fiscal years in the black?
• Scalability	Does the organization have a viable plan for expansion with increased cash donations?
• Technology	Is the efficiency of the organization hindered by current technological infrastructure?
• Communication	Does the organization have a working plan for internal and external communications?

What tools does EIG use?

EIG has developed a number of evaluative tools and a network of international experts to carefully identify strengths and weaknesses, opportunities and red flags at a particular organization. Two exemplary evaluative approaches include:

- **Impact & Organizational Assessment (IOA) questionnaire.** EIG research staff perform a differential analysis on completed IOAs after 2 or 3 senior executive staff and 2 or 3 board members complete the 125-question assessment. The results identify potential problem areas, needed improvements and strengths and weaknesses.
- **Board minutes analysis.** EIG research staff analyze 3 years of board minutes to identify trends in oversight and organizational direction, to determine whether the board errs in micromanagement or in lack of critical feedback, and to evaluate the board's input during financial and leadership crises.

What do EIG clients learn?

After the completion of organizational evaluations clients learn:

- **Investor Concerns:** Potential risks related to the organization's ability to deliver results
- **S.W.O.T. Analysis:** Summary of *internal* strengths and weaknesses and *external* opportunities and threats
- **Investor Recommendations:** Strategic funding opportunities to increase organizational capacity, quality of work, and results if current performance justifies new support

EIG's "no conflict of interest" evaluation allows clients to make informed giving decisions. If you think about it, we pay researchers to advise us on how we invest money for significant ROI, why would we not do the same so that our charitable investments have their maximum impact?



512 S. Tejon St. Suite 200, Colorado Springs, CO 80903 | t. 719.329.1515 | www.excellenceingiving.com

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