



**Next River**  
Fundraising  
Strategies



# **THE NONPROFIT FUNDRAISER'S GUIDE TO A DATABASE AUDIT**

THE KEY TO UNLOCKING STRONGER  
DONOR RELATIONSHIPS AND  
FUNDRAISING SUCCESS

[www.nextriverfundraising.com](http://www.nextriverfundraising.com)

# Successful fundraising thrives on relationships . . .

**and those relationships are built, tracked, and managed through data.**

In today's nonprofit world, data is the lifeblood of an organization's fundraising efforts—helping fundraisers engage donors, measure success, and plan for the future.

But for data to serve these purposes effectively, it must be accurate, clean, and well-managed. A database audit ensures your data meets these criteria, maximizing both short-term fundraising results and long-term sustainability.

This guide will explore the key components of a nonprofit database audit, including why data hygiene matters, how poor data can harm fundraising efforts, the role of data security, and how accurate reporting on KPIs (Key Performance Indicators) and OKRs (Objectives and Key Results) depends on clean, reliable data.



# Why Data Hygiene and Cleanliness Matter

A clean, well-maintained donor database enables nonprofit fundraisers to connect with supporters efficiently, avoid wasted resources, and make strategic decisions based on accurate information. "Data hygiene" refers to the processes that keep your database free of errors, inconsistencies, and outdated information. This involves regular cleaning, deduplication, updating donor information, and purging irrelevant records.

When data hygiene is neglected, the consequences for fundraising efforts can be severe. Incorrect email addresses, outdated mailing information, or duplicate records lead to missed opportunities, frustrating experiences for donors, and wasted campaign resources.

## THE BENEFITS OF CLEAN DATA



- **Increased Donor Engagement:** Accurate contact information ensures your message reaches the right audience, resulting in better response rates.



- **Cost Savings:** With fewer duplicate or erroneous records, your direct mail and email campaigns cost less while yielding higher returns.



- **Improved Relationships:** Clean data prevents embarrassing mistakes, such as misspelling donor names or repeatedly soliciting someone who has already given.



- **Efficiency Gains:** Fundraisers and database managers can focus on strategic activities rather than troubleshooting data problems.

# The Impact of Bad Data on Fundraising Success



Bad data isn't just inconvenient; it can sabotage your fundraising efforts. Every misdirected mailing, unreturned phone call, or bounced email is a missed opportunity to build relationships and raise funds. Data errors create friction between your organization and donors, causing frustration and potentially driving supporters away.

Consider the following scenarios where poor data can undermine your efforts:

- **Communication Failure:** A key donor doesn't receive a personal invitation to your annual gala due to an outdated mailing address.
- **Inefficient Stewardship:** A loyal supporter is mistakenly flagged as inactive, resulting in missed thank-you calls or recognition.
- **Duplicate Solicitation:** A donor receives multiple appeals due to duplicate records, making them feel undervalued or over-targeted.
- **Missed Segmentation Opportunities:** Without clean data, it's challenging to segment donors by gift amount, giving frequency, or campaign interest—limiting your ability to deliver personalized messages.

Poor data compounds over time, making it increasingly difficult to track donor engagement, maintain accurate gift histories, and project future revenue. As the saying goes, "If you can't reach a donor, you can't raise money from them." The first step to resolving these issues is through a thorough database audit.

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*How many of your donors aren't actually receiving the messages you've so carefully created for them?*



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# Steps to Conducting a Database Audit

## 1. Define the Audit Scope:

- Identify the data fields to assess (e.g., contact information, gift history, donor notes).
- Determine the timeframe—will you audit all records or only recent ones?

## 2. Evaluate Data Quality:

- Check for missing, incomplete, or outdated information (e.g., missing email addresses or lapsed mailing addresses).
- Identify and merge duplicate records.
- Validate contact information using email verification tools or National Change of Address (NCOA) services.

## 3. Assess Data Relevance:

- Flag inactive donors or those who have not given within a specific period.
- Archive or purge records that are no longer relevant to your fundraising efforts.

## 4. Review Coding and Segmentation:

- Ensure consistent use of gift codes, donor statuses, and segments (e.g., major donors, monthly donors).
- Fix any inconsistencies in how donations and campaign responses are recorded.

## 5. Check System Integrations:

- Confirm that your donor database integrates seamlessly with other tools like email marketing platforms, CRMs, or event software.
- Look for data mismatches between systems, which can cause reporting issues.

## 6. Implement Data Hygiene Processes:

- Create automated workflows for identifying and resolving duplicates or updating outdated information.
- Set up regular audits—quarterly or annually—to maintain data quality.

### DATA HYGIENE TERMS & TOOLS

**NCOA - National Change of Address.** A database of address changes maintained by the USPS. NCOA data can be applied to your records to identify new and corrected address for donors.

**DEDUPE - Removing duplicate records from your database.**

**STANDARDIZATION - Formatting all addresses in the same way to increase deliverability.**

# The Role of Data Security

While data cleanliness focuses on accuracy and usability, data security ensures that your information is safe from unauthorized access or breaches. Nonprofits often handle sensitive data, such as donor payment information and giving histories, which must be protected to maintain donor trust and comply with legal requirements (e.g., PCI DSS, GDPR).

## Key Data Security Considerations for Fundraisers:

**Access Controls:** Limit access to donor data based on staff roles, ensuring only authorized individuals can view or edit sensitive records.

**Encryption:** Protect data both in transit and at rest with encryption to safeguard it from breaches.

According to business consulting firm Gartner, poor quality data costs U.S. companies over \$12.9M per year. Some estimates put the cost of 'bad' data overall in the trillions of dollars.

For a look at the impact of bad data on the nonprofit sector, see The Agitator's article at [agitator.thedonorvoice.com/premature-exoneration/](https://agitator.thedonorvoice.com/premature-exoneration/) which features the compounding loss of data accuracy report used in all of Next River Fundraising's database audits.



**Backups:** Maintain regular backups of your database to prevent data loss in the event of system failures or cyberattacks.

**Compliance:** Stay up-to-date with regulations governing data privacy and security, and communicate your compliance efforts to donors.

Good data security practices are essential not only for legal and ethical reasons but also to preserve donor trust—one of your most valuable assets.

# Data Management as a Demonstration of Trust

When donors share their personal information, they are extending a profound trust to the nonprofit.

It is not just a transactional exchange—it is an act of faith that their data will be handled with care, accuracy, and privacy. Maintaining clean, secure data demonstrates stewardship of the information entrusted to us, reinforcing the donor's confidence in the organization.

Every piece of data—whether it's an address, phone number, or giving history—represents part of the donor's personal story. Errors, outdated information, or security lapses not only hinder fundraising efforts but also undermine trust.

By keeping data accurate, relevant, and protected, nonprofits show respect for donors' generosity and honor the trust placed in them. This commitment to data quality strengthens relationships, ensuring that donors feel valued, respected, and secure in their continued support.



## TRUST IN NONPROFITS

Trust in nonprofits to do what they say they will do (i.e. mission) has been declining steadily. The recent Edelman Trust Barometer indicates that just 52% of the population trust nonprofits to fulfill their promises and solve problems. Managing good quality data and showing donors that we protect their information is one step towards demonstrating higher levels of trustworthiness.



# How Clean Data Powers Reporting on KPIs and OKRs

Fundraising success depends on monitoring performance through KPIs (Key Performance Indicators) and OKRs (Objectives and Key Results).

Both of these frameworks rely on accurate, reliable data to provide actionable insights. Without clean data, reports can be misleading, causing fundraisers to make flawed strategic decisions.

KPIs for Nonprofit Fundraisers:

- Total Dollars Raised: How much money have you raised within a specific period?
- Donor Retention Rate: What percentage of donors give year-over-year?
- Average Gift Size: What is the average amount donated per supporter?
- Second Gift Conversion Rate: How many first-time donors give again within 12 months?

OKRs for Fundraising Teams:

- Objective: Increase overall donor retention by 10% this year.
  - Key Result 1: Conduct personal outreach to 50 major donors.
  - Key Result 2: Launch a reactivation campaign targeting lapsed donors.
  - Key Result 3: Ensure 95% accuracy in contact information across the database.



To track these metrics effectively, your database must be accurate and up-to-date. If key donor information is incorrect, reports on metrics such as donor retention, lapsed donors, or revenue projections will be flawed—leading to ineffective planning and misallocation of resources.

# Conclusion: Making the Most of a Database Audit

A database audit isn't just a housekeeping task—it's a critical step in maximizing your fundraising potential. Clean, secure data allows fundraisers to engage donors meaningfully, measure progress accurately, and plan for the future confidently. Without regular data audits, your fundraising efforts risk becoming inefficient, costly, and less effective over time.

By prioritizing data hygiene and security, and by ensuring your data supports accurate KPI and OKR reporting, you can turn your donor database into a powerful tool for growth. The time and effort invested in a database audit will pay dividends in improved donor relationships, increased revenue, and better strategic outcomes.

As you begin or refine your auditing efforts, remember: the quality of your data directly impacts the quality of your fundraising—and the more you can trust your data, the better your results will be.

A well-executed database audit not only ensures your next campaign is built on solid ground but also lays the foundation for sustainable, long-term fundraising success.



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**THANK YOU!**

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## **NEXT RIVER FUNDRAISING STRATEGIES**

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