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Foellinger Foundation Donor Intent

Times change, but Foellinger values and principles endure

Helene Foellinger and her mother, Esther, established the Foellinger Foundation in 1958.

Today the Foundation is one of the largest sources of grant funding for nonprofit organizations that support our economy and improve life in Allen County.

Many things have changed over the years, but some things will never change – the Foundation’s commitment to the donors’ values and principles:

Integrity. The Foundation’s board and staff members should be honest in dealings with one another, with other organizations and with the community, and they should show respect for all individuals in the community.

Accountability. The Foundation will continually seek to improve its overall organizational effectiveness.

Responsibility. The Foundation will fulfill its obligations to its grantees and demonstrate trust and respect.

Results. The Foundation will strive to help people in Allen County advance from needing help, to helping themselves, to helping one another.

The Foundation focuses the Foellinger family gifts strategically. The Foundation identifies and supports organizations led by adaptive board and key staff members that promote self-reliance and build community, and who meet the strategic criteria of mission-driven, well-governed, and results-oriented.
Introduction

Allen County Nonprofit Leader,

To honor the intentions of our donors, the Foellinger Foundation is committed to strengthening and advancing the Allen County nonprofit sector. We do this through leadership training, education, seminars, and grants. Thank you for your interest in organizational effectiveness and in governance-level capacity building work.

This Resource Guide has been assembled as a starting point to connect you with some of our favorite resources that could assist you and other leaders within your organization. Most are free or very low cost.

It is the Foundation’s theory of change that organizations which consistently execute in these areas will have a higher likelihood of furthering their sustainability and program impact.

We are confident you will find these tools to be valuable.

Cheryl Taylor
President

Dawn Martz
Director of Programs
Establishing Capacity Building Priorities

It is often easier to identify a long list of needs and concerns than to determine where an organization’s time, funds, and energy can be best invested for the greatest impact.

In the Appendix, you will find a short article, “The Ten Ingredients of a Sustainable Nonprofit,” that identifies most of the key components to developing a sustainable nonprofit.

Lessons from the field suggest that the most successful capacity building initially focuses on strategic planning and board development before moving on to financial sustainability.

Quick Self-Assessment – Nonprofit Organizational Life Cycle

A life cycle model is a powerful tool for understanding your organization’s current status while preparing to move into the future. Nonprofits evolve from a concept to a full-fledged organization. Recognizing where your organization is now, you will understand where it is headed and be better prepared to overcome predictable challenges.

On the next page you will find a simple self-assessment tool. Circle the brief description best matching where the organization is today and where you would like it to grow across several different aspects. It is common to circle adjacent descriptions if you feel the organization is between the two stages.

The third and fourth pages of this tool offer suggestions on defining your priorities for organizational development, based on the stage you identified.
## Nonprofit Organizational Life Cycle

<table>
<thead>
<tr>
<th>Stage</th>
<th>Grass Roots - Invention</th>
<th>Start-Up - Incubation</th>
<th>Adolescent - Growing</th>
<th>Mature - Sustainability</th>
<th>Stagnation &amp; Renewal</th>
<th>Decline And Shut-Down</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program And Services</td>
<td>Extremely informal or not yet a concern</td>
<td>Simple programs are initiated or a mix of diverse and non-integrated activities</td>
<td>Programs begin to establish themselves in the market</td>
<td>Core programs are established and recognized in the community</td>
<td>Organization loses sight of market</td>
<td>No longer meeting market needs</td>
</tr>
<tr>
<td></td>
<td>Perceived need for a program or service</td>
<td>Strong commitment to delivering services</td>
<td>Often demand is greater than capacity</td>
<td>Long range program planning</td>
<td>Programs developed primarily to attract funding</td>
<td>Loss of credibility with funders and clients</td>
</tr>
<tr>
<td>Staff Leadership/Management</td>
<td>Entrepreneurial founder whose vision drives the organization</td>
<td>Single minded founder whose vision drives the organization</td>
<td>Beginning strategic division of labor</td>
<td>Need for well-rounded Executive Director</td>
<td>Founder likely to leave</td>
<td>Major conflict between ED and board</td>
</tr>
<tr>
<td></td>
<td>Sole decision making - little or no hierarchy</td>
<td>Executive Director still primary decision maker and is less accessible to staff</td>
<td>Both external and internal demands</td>
<td>Sometimes ‘Founder’s Syndrome’</td>
<td>Change agent needed</td>
<td>ED makes key decisions without board</td>
</tr>
<tr>
<td>Staffing</td>
<td>All volunteer driven</td>
<td>Most work completed by volunteers</td>
<td>Staff size increases - still join primarily for mission</td>
<td>Even larger, and more culturally diverse and specialized staff</td>
<td>Low staff morale; staff turnover</td>
<td>ED is inaccessible and unable to meet deadlines</td>
</tr>
<tr>
<td></td>
<td>No paid staff</td>
<td>Small (if any), enthusiastic staff</td>
<td>Deepening organization chart, with more centralized management</td>
<td>Professional managers are hired</td>
<td>Focus is on individual programs, instead of organizational goals</td>
<td>Departure of key staff</td>
</tr>
<tr>
<td>Governance/Board</td>
<td>Not yet a real concern</td>
<td>Sense of ‘family’ and cooperation among staff</td>
<td>No job descriptions &amp; personnel policies</td>
<td>Vertical, hierarchical organization chart</td>
<td>Field/station develop</td>
<td>Key positions difficult to fill</td>
</tr>
<tr>
<td></td>
<td>Formal governance structure in place</td>
<td>Cooperation among board members</td>
<td>Board expansion - first ‘outsiders’</td>
<td>Board size and diversity increases</td>
<td>No or very high board turnover</td>
<td>Staff grievances bypass ED to board</td>
</tr>
<tr>
<td></td>
<td>Small, passionate, and homogenous board</td>
<td>Members tend to be volunteers or hand-chosen by executive</td>
<td>New board members are added who are professionals with expertise</td>
<td>Main function is policy and oversight</td>
<td>Sluggish and less involved</td>
<td>High conflict among staff</td>
</tr>
<tr>
<td></td>
<td>Members tend to be volunteers or hand-chosen by executive</td>
<td></td>
<td>Less focus on operations, more on</td>
<td>Board and diversity increases</td>
<td>Bogged down in structure that may be outdated</td>
<td>Low # of volunteers</td>
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Developed by: Speakman Management Consulting, 404-622-1205, www.speakmanconsulting.com
<table>
<thead>
<tr>
<th>Grass Roots - Invention</th>
<th>Start-Up - Incubation</th>
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<th>Decline And Shut-Down</th>
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<tbody>
<tr>
<td>director</td>
<td>planning &amp; oversight</td>
<td>done in committees</td>
<td></td>
<td>Well-developed systems become “red-tape”</td>
<td>Major disagreement among board on mission and future</td>
</tr>
<tr>
<td>• Operating board</td>
<td>• More reactive than strategic in policies</td>
<td>• Better board accountability</td>
<td>• Program and operational coordination through formal planning</td>
<td>• Poor planning</td>
<td>Board members making derogatory statements in public</td>
</tr>
<tr>
<td>• Strong emotional commitment and motivation to the mission</td>
<td>• Transitioning to governance board</td>
<td>• Key board role is to ensure organization longevity</td>
<td>• Systems, policies &amp; procedures in place</td>
<td>• Departure from systems to crisis management</td>
<td>Poor Internal controls or too much red tape</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Standardized and efficient operations</td>
<td>• More data management</td>
<td>Cannot provide accurate picture of financial situation</td>
</tr>
<tr>
<td>Administrative Systems/ Operations</td>
<td>Few formal systems</td>
<td>UnSophisticated operating systems</td>
<td>Internal communications is challenging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Not yet a concern</td>
<td>• Operations are agile and flexible</td>
<td>• Unstable operations</td>
<td>• Vertical communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• No real ‘home office’</td>
<td>• Informal management infrastructure</td>
<td>• Purchasing technology</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Few operational routines or systems in place</td>
<td>• Permanent home office with new admin support</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>• Frequent informal communication</td>
<td>• Begin development of operational systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finances and Fundraising</td>
<td>Focus on gathering resources</td>
<td>Established relations with key funders but still unpredictable funding resources</td>
<td>Reliable and diverse funding streams</td>
<td>Insufficient cash reserves</td>
<td>Unable to meet payroll &amp; behind on payables</td>
</tr>
<tr>
<td>• Not yet a concern</td>
<td>• Limited financial resources</td>
<td>• Efficient at in-kind and volunteer resources</td>
<td>• Significant cash reserves</td>
<td>• Falling behind on financial obligations</td>
<td>Relies on lines of credit for basic bills</td>
</tr>
<tr>
<td>• All resources are in-kind</td>
<td>• Small budget with limited to no financial/ accounting systems</td>
<td>• Cash flow problems - organization is undercapitalized</td>
<td>• Expanded major giving program</td>
<td>• Loss of financial support</td>
<td>Possible bankruptcy</td>
</tr>
<tr>
<td></td>
<td>• Overly dependent on a few funding sources and in-kind donations of expertise</td>
<td>• Cost considerations are more important</td>
<td>• Have, or are considering, planned giving and an endowment</td>
<td>• Not bringing in new funding sources</td>
<td>Major funders withdrawing or threatening</td>
</tr>
<tr>
<td></td>
<td>• Hand-to-mouth</td>
<td>• Revenue generation options considered</td>
<td>• Additional fundraising staff support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing/ Community Awareness</td>
<td>Poor external communication</td>
<td>First official promotional material</td>
<td>Marketing plan developed</td>
<td>Reactive to each crisis</td>
<td>Negative rumors in the community and/or bad press</td>
</tr>
<tr>
<td>• Not yet a concern</td>
<td>• Word of mouth referrals and marketing</td>
<td>• Word of mouth still primary marketing channel</td>
<td>• Professional image and promotional material</td>
<td>• No real proactive marketing and community relation building</td>
<td>Key stakeholders cannot clearly define mission &amp; purpose</td>
</tr>
<tr>
<td></td>
<td>• No formal public relations</td>
<td></td>
<td>• In-house Communication &amp; Marketing expertise</td>
<td>• Spending less on marketing</td>
<td>No marketing</td>
</tr>
</tbody>
</table>
## Keys to Life Cycle Transitions

<table>
<thead>
<tr>
<th>Grass Roots - Invention</th>
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<td><strong>Management</strong></td>
<td><strong>Staffing</strong></td>
<td><strong>Governance Board</strong></td>
<td><strong>Management</strong></td>
<td><strong>Staffing</strong></td>
</tr>
<tr>
<td>Identify key unmet client/community needs</td>
<td>Provide a mentor or coach for development of the leader</td>
<td>Estimate initial staffing needs</td>
<td>Begin to ID potential board members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop a concept plan</td>
<td>Assess and begin to improve quality</td>
<td>ID and determine how best to utilize volunteers</td>
<td>Expand the board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identify and evaluate program options</td>
<td>Develop a strategic plan to clarify &amp; integrate</td>
<td>Create a basic staff orientation plan</td>
<td>Clarify board member roles &amp; responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarify results &amp; expectations of work</td>
<td>Develop internal process for evaluating new opportunities</td>
<td>Use and recognize volunteers well</td>
<td>Conduct board retreats for planning &amp; training</td>
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<tr>
<td></td>
<td></td>
<td>Hire administrative support</td>
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<td>Consider contract or part-time for needed expertise – accounting, etc.</td>
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<td><strong>Governance Board</strong></td>
<td><strong>Management</strong></td>
<td><strong>Staffing</strong></td>
</tr>
<tr>
<td>Explore new program delivery models</td>
<td>Enhance ED annual evaluation process</td>
<td>Prepare for major staff changes</td>
<td>Conduct staff retreat – input to address critical operational issues</td>
<td></td>
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<tr>
<td></td>
<td>Clarify ED’s roles related to staff management</td>
<td>Push for enhanced internal collaboration</td>
<td>Engage third party to mediate conflicts</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Explore additional coaching</td>
<td>Re-evaluate the volunteer program</td>
<td>Recognize challenge for staff – plan to address burn-out</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Explore ways to keep essential staff</td>
<td>Explore severance packages if shutdown</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Reassign staff as needed</td>
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<tr>
<td></td>
<td></td>
<td>Consider new staff structures</td>
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<td></td>
<td></td>
<td>Board resign or build new board</td>
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<tr>
<td></td>
<td></td>
<td>Engage third party to</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative Systems/Operations</th>
<th>responsibilities – offer training, create formal governance structure – including committees, focus on policies</th>
<th>fundraising capacity – enhance board committee structure, with others – board retreat, revise board and planning, reviewize board nomination process, clarify board roles</th>
<th>mediate conflicts – board retreat to develop plan to address critical issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID initial infrastructure and operation needs</td>
<td>formalize record keeping and begin to establish basic program policies and manuals</td>
<td>develop a risk management plan, upgrade technology hardware and software, ensure adequate administrative staff</td>
<td>shore up broken systems, reduce red tape, find external financial expertise</td>
</tr>
<tr>
<td>Determine any compliance needs</td>
<td>automate data management, purchase necessary technology and equipment</td>
<td>develop maintenance &amp; replacement plan</td>
<td>improve internal communication</td>
</tr>
<tr>
<td>Decide on 'home office'</td>
<td>develop a development plan</td>
<td>improve internal communication</td>
<td>centralize key administrative functions, look to revamp systems and equipment, re-examine policies – reduce red tape</td>
</tr>
<tr>
<td>Obtain accounting expertise</td>
<td>expand funding sources, institute formal accounting policies and procedures, hire an experienced accountant</td>
<td>begin to plan for future financial needs</td>
<td></td>
</tr>
<tr>
<td>Finances</td>
<td>develop a multi-year budget – including capital budget, establish formal financial controls, create a development plan, diversify funding streams – expand individual giving base, hire a development person</td>
<td>develop an operating reserve &amp; policies, review fundraising plan, start planned giving program</td>
<td>expand funding sources, detailed financial analysis, explore short term cost reductions, analyze current fundraising strategies, add resources to development</td>
</tr>
<tr>
<td>ID initial funding sources, including researching targeted foundations</td>
<td>develop an initial development plan</td>
<td>enhance fundraising capacity</td>
<td>external audit, short-term budget and funding plan, budget cutbacks, emergency meeting with key funders</td>
</tr>
<tr>
<td>Develop a proforma budget</td>
<td>develop a condensed fact sheet</td>
<td>explore a name – test with key audiences</td>
<td></td>
</tr>
<tr>
<td>Develop an initial development plan</td>
<td>create talking points for board/volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing/Community Awareness</td>
<td>begin to develop an organization brand/identity</td>
<td>Have board more involved in community relations</td>
<td>enhance marketing capacity, better utilize technology for communication, develop a long-term marketing plan, enhance public relations, reassess logo and image</td>
</tr>
<tr>
<td>Identify and 'sell' concept paper to key potential stakeholders</td>
<td>All staff and board to provide potential contact list (possible funders)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID initial marketing and promotional needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verify community need and interest in addressing need</td>
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</table>

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Going Deeper – Other Assessment Tools

If your organization is looking for something beyond the Quick Self-Assessment, there are three tools you might explore as a next step. Comprehensive assessment tools can be helpful but also can easily become overwhelming and it is important to define a process to debrief and prioritize findings with your team.

- The Organizational Capacity Assessment Tool (OCAT) is a free, in-depth, online survey that allows the board, leadership, and staff of a nonprofit to measure how well their organization performs against best practices. The insights from the OCAT provide an excellent foundation for conversations and decision making about actions to make the organization stronger. [https://www.mckinsey.com/industries/social-sector/how-we-help-clients/organizational-capacity-assessment-tool](https://www.mckinsey.com/industries/social-sector/how-we-help-clients/organizational-capacity-assessment-tool)

- The Core Capacity Asset Tool (CCAT) determines your organization’s capacity scores as well as your organization’s life cycle stage. The CCAT is the most widely used and has the benefit of being able to benchmark ratings against organizations of similar size in your field. (For a fee, the organization secures an on-line assessment and system generated report). [http://www.tccccat.com/about-the-ccat](http://www.tccccat.com/about-the-ccat)

- The iCat assessment asks behavioral questions that come from a thorough meta-review of the body of capacity building research. The Impact Capacity Assessment Tool (iCAT) is a more recent assessment created by Peter York, the same nonprofit expert who created the CCAT. (For a fee, the organization receives an assessment and report). [https://algorhythm.io/icat/](https://algorhythm.io/icat/)

A final resource for your consideration is the Matrix Map. In a very logical and visual way, it helps organizations weigh the relative financial sustainability and mission match of each of their programs and major operations. It has become a “go to” tool for many capable nonprofits. These three books present this information.


First Steps/Getting Assessment Started

It may seem difficult to get discussions started or you may feel that your board has been having the same conversations over and over. Doing a self-assessment can help you focus your energies and narrow the range of “next steps” that you can take based on what is most important, natural sequence, and available board/staff time to act.

Following are draft agendas for board/senior staff working sessions, giving the option of doing the self-assessment during the meeting/retreat or utilizing the results of an advance survey or on-line tool to gather information before the meeting.

Self-Assessment Discussion – Option #1
*Using the Speakman or similar tool during your meeting or retreat*

Preparation
- Schedule 1 ½ to 2 hours as part of an extended board meeting or in a separate working session in the evening or a Saturday morning. Ideally, you do not want this session to feel like “another board meeting” so changing the time or location can help put people in a fresh state of mind.

- Share with every board member the importance of your discussion and encourage their participation

- Include the Executive Director/CEO and other key leadership staff. Front line staff are not usually familiar with the leadership and financial aspects of the organization.

- Email the Nonprofit Organizational Lifestyle tool (see pages 4-7), or similar assessment tool, to each attendee in advance and suggest they review it with your organization in mind.

- Brings copies of the assessment tool to the meeting/retreat

Meeting Agenda
*Welcome/Introductions as needed*

*Establish Expectations for this Session*
- Gain understanding about how our organization works
- Identify opportunities to increase our program impact or financial sustainability
- Identify obstacles to program or financial success
- Develop a short “plan of action”
- What else?
**Opening Discussion – in either full group or breakout groups**

- What do we want our organization to look like in 2-3 years? What impact will we be having? How would we describe our board and staff? What is our financial situation?
- Share and capture on flipchart or whiteboard

**In-meeting self-assessment**

- Pass out the self-assessment tool, in hardcopy
- In small groups – be sure there is a longer-term board member and/or staff leader in each group:
  - Quickly talk through each area of assessment (first two pages of Speakman), circling where you feel the organization is now and where you want or need to be in 2-3 years. Don’t get sidetracked by trying to solve things now.
  - Each group should **identify the top three areas** where they feel it is most important to move the organization forward – either for opportunity or to address a problem.
- Come back together and have each group share their “Top 3” with their rationale
- One way to further refine priorities is to consolidate and list the element of all the “Top 3”s on a flipchart or whiteboard and then give each attendee 2-3 dot stickers or allow them checkmarks and see which get the most “votes”.

**Prioritizing and Action Planning**

Beware of identifying too many “top priorities”. You cannot address every idea or need at the same time. Consider identifying two priorities/actions to complete in the next 30 days, two in the next 90 days and two within the next year. That will be plenty for most organizations.

**Thoughts on prioritizing** – as you consider where to focus your efforts, consider the following:

- What is most critical for the organization in the next XX days?
- Where is there the most energy and interest among the group to act?
- What fits into the scope of an existing committee or current effort that can get it moving promptly?
### ACTION PLAN

<table>
<thead>
<tr>
<th>30 Day Priorities</th>
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</thead>
<tbody>
<tr>
<td><strong>Action Item</strong></td>
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<tr>
<td></td>
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<tr>
<td></td>
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<tr>
<td>90 Day Priorities</td>
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<tr>
<td>Within the Year Priorities</td>
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</tbody>
</table>

### FOLLOW UP

Pull out your simple action plan at each board meeting to talk about how you are progressing. Set the expectation that progress will be made.

### Self-Assessment Discussion – Option #2

*Using an on-line tool/survey where board/staff provide their insights in advance*

#### Preparation

- Schedule 1 ½ to 2 hours as part of an extended board meeting or in a separate working session in the evening or a Saturday morning. Ideally, you do not want this session to feel like “another board meeting” so changing the time or location can help put people in a fresh state of mind.

- Share with every board member the importance of your discussion and encourage their participation

- Include the Executive Director/CEO and other key leadership staff. Front line staff are not usually familiar with the leadership and financial aspects of the organization.

- E-mail the results of the survey or on-line assessment tool to each attendee in advance and request them to read the results and identify the themes and ideas that stand out to them.

- Brings copies of the assessment results to the meeting/retreat

#### Opening Discussion – in either full group or breakout groups

- What do we want our organization to look like in 2-3 years? What impact are we having? How would we describe our board and staff? What is our financial situation?
Share and capture on flipchart or whiteboard

Debrief of on-line survey or self-assessment tool

- Pass out the self-assessment results or make sure people have note paper plus their electronic versions
- In the full group:
  - Ask what people saw that surprised them or that confirmed what they thought they knew
  - Ask what themes they saw as they looked through the report
- In small groups – be sure there is a longer-term board member and/or staff leader in each group:
  - Quickly talk through each area of assessment, identifying where you see significant opportunities or concerns. Don’t get sidetracked by trying to solve things now.
  - Each group should identify the top three areas/Ideas where they feel it is most important to move the organization forward – either for opportunity or to address a problem.

- Come back together and have each group share their “Top 3” with their rationale
- One way to further refine priorities is to consolidate and list the element of all the “Top 3”s on a flipchart or whiteboard and then give each attendee 2-3 dot stickers or allow them checkmarks and see which get the most “votes”.

Prioritizing and Action Planning

Beware of identifying too many “top priorities”. You cannot address every idea or need at the same time. Consider identifying two priorities/actions to complete in the next 30 days, two in the next 90 days and two within the next year. That will be plenty for most organizations.

Thoughts on prioritizing – as you consider where to focus your efforts, consider the following:

- What is most critical for the organization in the next XX days?
- Where is there the most energy and interest among the group to take action?
- What fits into the scope of an existing committee or current effort that can get it moving promptly?
## ACTION PLAN

### 30 Day Priorities

<table>
<thead>
<tr>
<th>Action Item</th>
<th>Person or Committee Responsible</th>
<th>Target Date/Deadline</th>
<th>How will we know it is accomplished or on-track?</th>
<th>Notes</th>
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### 90 Day Priorities

|                                 |                                 |                      |                                                 |       |
|                                 |                                 |                      |                                                 |       |

### Within the Year Priorities

|                                 |                                 |                      |                                                 |       |
|                                 |                                 |                      |                                                 |       |

### FOLLOW UP

Pull out your simple action plan at each board meeting to talk about how you are progressing. Set the expectation that progress will be made.
Starting a New Nonprofit or Closing an Existing Organization

Starting a Nonprofit

Done well, the development of new programs and new organizations brings innovation and energy to the nonprofit sector and increases options and outcomes for people in our community. Done poorly, the creation of new organizations creates redundancy, dilutes local leadership and funding resources, and tries to displace proven practice with good intentions.

If you have an idea for a program, we encourage you to look across the community and identify existing organizations who are doing similar work and see if you can help strengthen their efforts before creating a similar program on your own. If your idea is in the human services arena, then one way to identify existing programs in our community is the United Way 211 Database at http://www.myunitedway2-1-1.org/

Maybe the End is Near - Be Thoughtful and Responsible

It is reported that each year, more than 40,000 new nonprofits are created in the United States. However, the number of nonprofits that close is not easily identified. Many nonprofits begin as informal, all volunteer organizations and, in tough times, many return to informal, all volunteer operations or just fade out of operation without any formal announcement or closing. As a board or staff leader, you have responsibilities to your clients, staff, volunteers, funders, /donors, and community to think and act clearly and intentionally. Here are several resources to help explore your situation:

• Thinking the Unthinkable: Maybe We Should Shut Down - http://www.blueavocado.org/content/thinking-unthinkable-maybe-we-should-shut-down
• Closing Down the Right Way - http://www.blueavocado.org/content/closing-down-right-way
• National Council on Nonprofits - https://www.councilofnonprofits.org/toolsresources/dissolving-nonprofit-corporation

Revenue Strategies and Business Models

Different types of nonprofits generate revenue from different sources. For example, a university might generate income from tuition fees, individual donations, and state government. In contrast, almost all income to a church is from individual donations. An arts organization may receive most of its income from ticket sales plus individual and corporate donations. Nonprofits serving the poor are more likely funded by government and grants. Nonprofits serving ex-offenders, the elderly, or people with disabilities are often commonly funded by the government.
You may hear people use the term “business model” and wonder how it fits into nonprofit nomenclature. Your organization’s business model, very simply, is where money comes from and how it is used to make an impact. An organization is considered to have a good business model if it can generate consistent revenue to fund its programs at a meaningful level of impact.

**Action Item**: Look at well-established organizations in your field, perhaps in other communities, and see how they generate their income. Be sure your organization is maximizing those sources before you get caught up in trying to imitate local trends of other nonprofits different from your organization.

If your organization does or will depend on philanthropic support from individuals or foundations, there is another quick assessment **How To: Raise Money** on the following pages to prompt your thinking.

To learn more about this topic:

*Ten Nonprofit Funding Models* - By William Landes Foster, Peter Kim, & Barbara Christiansen, *Spring 2009*, [https://ssir.org/articles/entry/ten_nonprofit_funding_models](https://ssir.org/articles/entry/ten_nonprofit_funding_models)
How To: Raise Money – Part I

For a nonprofit organization to become financially sustainable, an organization generally needs three things:

1) the ability to prove that its program truly makes a difference in the lives of its clients and does it in a cost-effective way
2) a growing number of people who support the organization financially and volunteer their time and talents to work for the organization and spread the word
3) systems and procedures to solicit donations, accept donations, and keep track of the relationship with donors and prospects

Think about organizing a basic fund development effort around three buckets:

**Systems and Regular Communications** *(Typical Skills – IT, Admin, Writing, Accounting)*
- Computerized list or database of supporters and prospects
- Ability to capture and input supporter and prospect info on an on-going basis
- Posting and acknowledging donations and volunteer efforts – immediately and at year end
- Regular communication to supporters – usually print or e-mail newsletter, at least quarterly
- Regular reconciliation of database donations to accounting records

**Attracting Supporters and Volunteers** *(Typical Skills – Marketing/PR, Public Speaking, Graphic Design, IT, Writing, Event Planning)*
- Press releases
- Website and social network tools
- Brochures/printed materials
- Articles for newsletter
- Speakers Bureau and identifying places to speak
- Public display/booth, if applicable
- Building mailing list
- Events focused on attracting supporters and educating about our cause

**Building Relationships and Asking for Support** *(Typical Skills – Passion for Cause, Relationship-focused people from any walk of life, Sales, Admin, Grant Writing)*
- Assembling and pursuing “Top Ten” list of potential supporters
- Personal letters, calls, and visits
- Grant writing
- Advocacy – outreach to government
- Events focused on raising money

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# How To: Raise Money – Part II

<table>
<thead>
<tr>
<th>Quick Self-Assessment – Where Are We Now?</th>
<th>Nothing happening</th>
<th>Working on it or trying to start</th>
<th>Able to do it but only occasionally</th>
<th>Happening regularly, in good shape</th>
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Ten Ingredients of a Sustainable Organization

*(Adapted from the Institute for Conservation Leadership)*

What does it take for inspired and passionate community members and community groups to create organizations that can truly sustain themselves and their critical work for the long haul? How can current volunteer and staff leaders modify and structure their work so that future leaders will have a dynamic and stable organization? What types of processes enable groups to adapt and change with the needs and context of their community’s issues?

The following "ingredients" outline key elements and create a recipe for success for organizational leaders to consider as they seek to create sustainable organizations.

**Ingredient # 1: A Compelling Vision, Focused Mission and a Strategic Plan that Involves Many and Gets Utilized**

An organization’s purpose, vision, and goals are the magnets for the people, resources and money that are needed to make the organization effective. Whether the organization is clarifying goals for the first time, or is determining a new focus after years of operation, a strategic plan is critical to success.

Good strategic planning involves all the key players in the organization, plus possibly people you serve and those you wish to collaborate with. The planning process will include discussion of and decisions on the organization’s vision and mission, three to five-year goals, objectives and strategies for each year that will move the group toward their goals, and a work plan that implements the objectives. The strategic plan, once created, becomes integrated into the organization's work and is regularly used (at least quarterly) to assess the organization's progress and to adjust as needed.

**Strategy Success Check:**

- Vision
- Mission
- Strategic Plan
  - Three to five-year goals, objectives, and strategies
  - Annual Action Plan
- Regular Plan Reviews (i.e., quarterly, every board meeting)

**Ingredient #2: Effective and Focused Programs**

The core of your organization's success lies within the program or lead projects. A good program attracts people, which then attracts funding. Programs need to be well thought out, doable, and able to involve many people. Above all, programs must serve a need. Sustainable organizations are able to take a program idea and implement it by creating a strategy with
measurable steps. In our rapidly changing world, sustainable organizations develop the ability to assess program successes and weaknesses regularly and change approaches as needed.

Program Success Check:

- Needs Assessment
- Program Action Plan and Calendar
- Program Evaluation and Assessment

Ingredient # 3: Diverse Fundraising Efforts

Sustainable organizations need diverse sources of income in order to weather the harsh "drought years" and the constantly changing economy. Solid fundraising efforts create long-range plans to have money coming in from as many places and as many people as possible, and for sources to be added every year. Also, the fundraising efforts are led by a diverse pool of people within the organization so that ownership and expertise are shared by many.

Fundraising Success Check:

- Written Fundraising Calendar or Plan
- Diversified Income (Individuals, Foundations, Corporations, Government, Fee for Service)
- Revenue and Donors Increasing Annually
- Staff, Board, and Volunteers Engaged in Fundraising Efforts

Ingredient # 4: Clear and Accurate Financial Management and Budgeting

Clear and accurate financial management provides the needed management tools to make decisions and to plan for the future. The Board of Directors (or steering committee in an all-volunteer project) and typically the Executive Director have the responsibility to create and manage the following elements of a good financial system:

- A complete and conservative budget
- Correct accounting records
- Timely financial reports (at least monthly)
- Financial reports in an understandable form
- Projections and budget revisions when needed
- Compliance with government reporting and deadlines
- Checks-and-balances, especially for cash management and check signing
- Adequate insurance coverage
- Adequate filing system

Finance Success Check:

- Board Approved Annual Budget
- Monthly Accounting Reports (Profit and Loss/Balance Statement)
System for Checks and Balances
Insurance for liability of volunteers, staff, and service recipients
Insurance for protection of organization assets
Filing and Document Storage
Checklist for required government submissions/filings

Ingredient #5: An Effective Governing Body/Board of Directors

The governing body of a nonprofit is the Board of Directors. The Board of Directors is legally and ethically responsible for an organization and its effectiveness. It also helps to create a larger group of people who are invested in the organization. Board composition should reflect the diversity of the organization’s membership and/or constituency. Organizations without effective Boards of Directors are limited in the scope and breadth of their work.

Every Board of Directors works a little differently based on how it was founded, its age, and the size of the organization, the type of programs, and the availability of staff. Most effective governing bodies, however, carry out at least the following responsibilities:

- Provide strategic vision
- Set organizational policy
- Ensure the organization is complying with all legal requirements and managing risk effectively
- Determine program and budget
- See that the program is carried out
- Give and get money
- Support public relations
- Choose, support, and evaluate lead staff
- Replace and train itself
- Evaluate the organization's effectiveness.

Board Success Check:

- Strategic Board Composition
- Regular Board Training and Development
- Clear Board Role & Responsibilities
  - Strategy and Direction
  - 100% Board Giving
  - Board Engaged in Fundraising
  - Executive Director Encouragement/Support
  - Fiduciary Responsibility (Budget and Legal)
  - Advocacy and PR
- Board Succession Plan
- Executive Director Evaluation
- Bi-annual Board Self-Evaluation
Ingredient #6: Intentional Volunteer Leadership and Staff Development

The "people resources" of an organization consist of volunteers and staff. Regardless of whether an organization has staff or not, a sustainable organization has key leaders, active volunteers at all levels, and a way to develop leaders throughout these different levels. Leaders and volunteers should represent the diversity of the organization's constituencies.

Opportunities at all levels of participation are important: from first time volunteers at an event to working committees, from getting a mailing out to speaking at a public hearing, and from participation in an event to serving on the board for the first time. Ideally, an organization will harness an individual's interest in and commitment to the organization's mission, and then match the individual's availability with the work that needs to be done. This includes cultivating and training volunteers and giving them opportunities to take on new leadership.

For organizations that have staff, attention to hiring professional staff and creating a healthy working environment for them is key. On a day-to-day basis, staff are often the most visible players working on behalf of an organization's mission and goals. Once staff is engaged, systems to create clear expectations, work plans, evaluation procedures, and personnel policies are key to seeing this investment mature and grow over time. Staff also need professional development (training, new position, cross-training, etc.), positive feedback, and policies that support their administrative and program work and help to motivate them on a day-to-day basis. Volunteers benefit from the same approach to clear work tasks, training, positive feedback and supportive policies.

Team Development Success Check:

- ✔ Staff operate within clear expectations, job descriptions, work plans, policies, and evaluations
- ✔ Access/Budget - Leadership and Professional Development for Key Staff/Volunteers
- ✔ Projects Aligned with Volunteer and Staff’s Gifts and Passions

Ingredient #7: Community Networking and Visibility

Strong partnerships with a broad base of other organizations help to build visibility for the organization in the community and smooth the way for implementation of action projects. The type and amount of networking and collaboration will vary according to each organization and type of project. Collaborations can include businesses, clubs, schools, agencies, key decision makers, and other organizations.

Organizations also need to let the community know what they are doing and that others are welcome in every stage of a project. An important component of visibility is the cultivation of media coverage. In addition to media coverage, organizations have a large variety of tools to get their message across. Examples include: holding special events, social media, producing posters, staffing a booth at a local fair or the library, and presenting the results of a program to other groups. Don't forget the power of "word of mouth" as volunteers talk with friends and
family. Volunteers are kept informed via newsletters, memos, and one-on-one conversation about the most recent events and issues.

Visibility Success Check:

- Marketing Plan
- Strong Partnerships and Collaborations Promote Visibility
- Promote Mission and Programs
- Newsletters to Constituency/Memos to Board

Ingredient #8: Appropriate Technology that Supports the Organization’s Work

Effective organizations have technology that makes work easier, more efficient and effective, especially in the communications area. Historically, nonprofits have tried to make up in labor what they have lacked in technology. However, times have changed; volunteer and staff time and energy are scarcer resources.

Technology that’s appropriate and used well can maximize time. Updated computer hardware, software and web, networking and email access for leaders, members and staff is a must these days. Adequate phone systems, reliable vehicles, office space and furniture that don’t compromise workers’ health and safety and are conducive to both individual and collective work add to worker and organizational productivity and effectiveness.

Sustainable organizations are not acquiring every new “bell and whistle”, but continually assessing the effectiveness of their current technology and evaluating what new additions would increase their effectiveness. They make certain that each piece of technology is supporting and serving the work of the organization, not vice versa.

Technology Success Check:

- Well-functioning Technology (hardware, software, internet, and email access)
- Software Supports Efficiency and Effectiveness (donor databases, financial management)
- Technology training and implementation support

Ingredient #9: Clear Communication within a “Learning Environment”

Sustainable organizations consistently create opportunities for learning and change. Practices such as written and verbal evaluation of meetings and training programs, periodic program review, and annual assessments or evaluation processes provide a constant feedback and learning loop. By regularly and openly asking "How are we doing?" organizations create an organizational culture where actions are not "mistakes" but opportunities to learn how to do it better for the next project or the next step.
Feedback and Assessment Success Check:

- Feedback Loops for Staff, Meetings, Work Processes, etc. with:
  - Employees and Volunteers
  - Board of Directors
- Program evaluation. Use of Findings in Program Planning
- Periodic Organizational Assessments

Ingredient #10: Ability to Celebrate Successes and Enjoy the Work

A culture where major and minor victories are celebrated, and members, leaders, and staff feel valued and appreciated is critical to long-term sustainability. Volunteers especially, need to feel they are spending their free time in a place that's creative, fun and life supporting. Music, celebration, food, thank you notes and affirmations hold organizations together and help to counter the long-haul struggle of creating a safe and healthy environment for all.

Celebration and Gratitude Success Check:

- Celebration
  - Goals Achieved
  - Milestones
  - Music and Refreshments at Meetings
- Gratitude
  - Appreciation Events
  - Handwritten Thank You Notes (from participants is a plus!)
BoardSource – Best Practices in Nonprofit Leadership

Even if you are familiar with BoardSource, the national nonprofit known for strengthening governance in nonprofits, you may not realize it has recently broadened its focus. Below are quick introductions to resources BoardSource has developed to assist organizations around significant, strategic issues.

The Power of Possibility: Exploring Greater Impact through Strategic Partnerships

As nonprofit board and staff members, you are given a tremendous responsibility. As leaders of your organizations, you are responsible for keeping your organizations strong. You are empowered with decision-making responsibility that will impact your organization’s work long into the future. And you are entrusted with ensuring that you are putting your core purpose and those who depend on you first. Initiated by BoardSource and leaders in the field of nonprofit restructuring, The Power of Possibility campaign encourages nonprofit leaders to ask themselves: How could our efforts be accelerated and amplified? One possible answer: Together. https://www.thepowerofpossibility.org/

Measuring Fundraising Effectiveness

Investments in effective fundraising strategies are essential to fund your missions and work. BoardSource, along with their colleagues at the Association of Fundraising Professionals, Better Business Bureau, Wise Giving Alliance, and GuideStar, has developed a new framework for evaluating fundraising effectiveness — one that provides a balanced approach that emphasizes how important it is to invest in strong and sustainable fundraising programs.

Below is a link to this new framework. When you’re ready to apply it to your organization, you can download their free toolkit for boards and leadership teams. https://boardsource.org/research-criticalissues/measuring-fundraising-effectiveness/

Stand for Your Mission – Advocacy

Initiated by BoardSource together with the Alliance for Justice, the Campion Foundation, the Forum of Regional Associations of Grantmakers, the John S. and James L. Knight Foundation, and the National Council of Nonprofits — the Stand for Your Mission campaign seeks to unleash the full potential of the nonprofit sector to create positive impact by engaging board leaders more directly in the advocacy work of their organizations.

Advocacy is a powerful lever for real impact. The goal is to inspire and challenge board leaders to “stand for your mission” through active engagement as ambassadors and advocates for your organization’s work. https://boardsource.org/research-critical-issues/stand-mission-advocacy/
Increasing Board and Staff Diversity and Inclusion

As the decision-making body at the highest level of organizational leadership, boards play a critical role in creating an organization that prioritizes, supports, and invests in diversity, inclusion, and equity. Whether in the hiring of the executive, the determination of strategy, the allocation of resources, or the goal of serving the community with authenticity, the board’s leadership on diversity, inclusion, and equity matters.

The 2017 Leading with Intent Survey showed little progress around increasing diversity and inclusion in either the board or CEO/ED ranks in recent years.
https://boardsource.org/research-critical-issues/diversity-equity-inclusion/

Leading with Intent – Mapping Trends in Nonprofit Leadership

BoardSource has been conducting its signature study, Leading with Intent: National Index of Nonprofit Board Practices, biennially for more than 20 years. It provides important information about current board composition, practices, and performance and charts important trends and changes in board leadership.

Leading with Intent is the only survey to gather information from both chief executives and board chairs on their experiences in the nonprofit boardrooms of America. Who serves on nonprofit boards? How are boards structured? What are their policies and practices? What challenges them? Are they providing the leadership needed? And because BoardSource has been conducting a version of this survey approximately every two years since 1994, it also enables them to answer the question, How are nonprofit boards changing over time?
https://boardsource.org/research-critical-issues/nonprofit-sector-research/
Board and Staff Training and Education Resources

Local

- Association of Fundraising Professionals, NE Indiana chapter - [http://afpnein.afpnet.org/](http://afpnein.afpnet.org/)
- Center for Congregations – regional workshops focused on churches but many topics applicable to other types of nonprofits. [http://www.centerforcongregations.org/](http://www.centerforcongregations.org/)
- Community Foundation of Greater Fort Wayne – monthly training events [www.CFGFW.org](http://www.CFGFW.org)
- Indiana Nonprofit Resource Network – Regional trainings and workshops in NE Indiana and across the state [www.INRN.org](http://www.INRN.org)
- Indiana Youth Institute, Regional Trainings, Annual Conference, Indianapolis – (Approximately Dec 1 of each year) [www.IYI.org](http://www.IYI.org)

State/Region

- Axelson Center for Nonprofit Management, North Park University, Chicago – Workshops, New CEO Bootcamp, annual conference in May/June each year [https://www.northpark.edu/centers/axelson-center-nonprofit-management/programs/](https://www.northpark.edu/centers/axelson-center-nonprofit-management/programs/)
- Center for Nonprofit Excellence Annual Conference, Louisville – (Fall of each year) [www.CNPE.org](http://www.CNPE.org)
- The Fund Raising School at The Lilly Family School of Philanthropy – growing list of 1-5 day classes on a variety of nonprofit topics - [https://philanthropy.iupui.edu/professional-development/fund-raising-school/index.html](https://philanthropy.iupui.edu/professional-development/fund-raising-school/index.html)
- Johnson Center at Grand Valley State University, Grand Rapids, MI - various half-day workshops on boards and philanthropic topics [http://johnsoncenter.org](http://johnsoncenter.org)

Publications/Resources for Board and Staff

- BoardSource - [www.BoardSource.org](http://www.BoardSource.org) – lots of free resources, subscribe to daily update, annual conference
- National Council of Nonprofits [www.councilofnonprofits.org](http://www.councilofnonprofits.org)