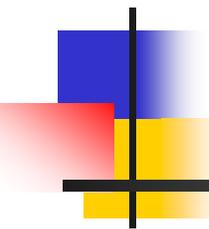


Organizational Readiness: Tools and Tips For Nonprofit Management

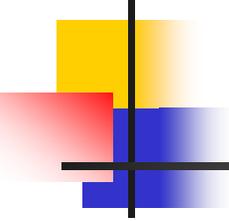


Presented by:
Brenda Page Smith, Ph.D.



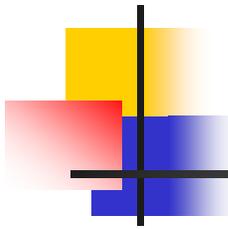
What is Management?

- Management is the process of getting activities completed efficiently and effectively with and through other people.



Management Functions:

- Planning
- Organizing
- Staffing
- Directing
- Coordinating
- Reporting
- Budgeting



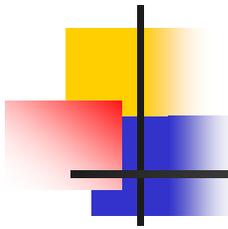
How well is your nonprofit managed?

- To determine how well a nonprofit is managed we will review several performance indicators.



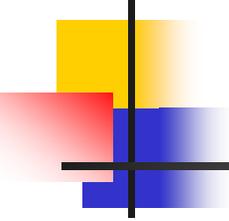
Eight important performance indicators:

- Legal
- Governance
- Human Resources
- Strategic Planning
- Program Planning
- Evaluations
- Finances & Fundraising



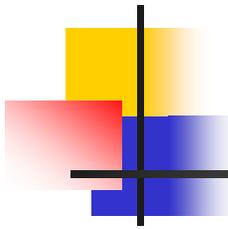
Legal

- All relevant legal filings are current and have been made according to the laws and regulations of the nonprofit's country.
- The organization is registered with and has filed its annual report with the appropriate governmental agency.
- For organizations operating on a tax-exempt basis, IRS form 1023 was filed.
- Tax reports are filed on a regular basis (IRS form 990).
- Federal and state payroll taxes withholding payments are current. (This requirement applies to organizations with employees.)
- Quarterly and annual payroll report filings are current. (This requirement applies to organizations with employees.)



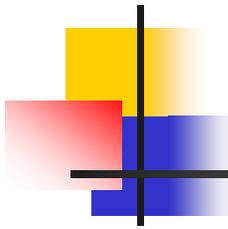
Legal – continued

- When the Board of Directors makes decisions, a quorum is present and minutes are maintained.
- Organizations that operate in a fiscal or host-organization relationship with another organization or group have a written agreement on file.



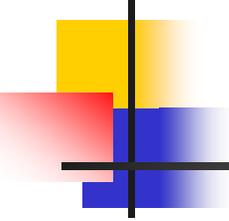
Governance (Board of Directors)

- The roles of the Board and the Chief Executive Officer are defined and respected.
- The CEO is recruited, selected, and employed by the BOD.
- The Board of Directors acts as governing trustees of the organization, while carrying out the organization's mission and goals.
- The Board members receive regular training about the general responsibilities of any nonprofit governing Board.
- New Board members are oriented to the organization's mission, bylaws, policies and programs, as well as their roles and responsibilities as Board members.



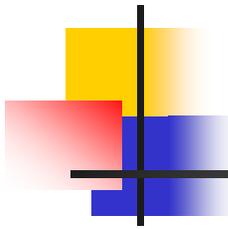
Governance - continued

- If the organization has any related party transactions between Board members or their family, they are disclosed to the Board of Directors (the IRS and the auditor).
- The organization has at least the minimum number of members on the Board of Directors as required by their bylaws, federal statute and/or state/provincial statute.
- If the organization has adopted bylaws, they conform to federal and/or state/provincial statutes and have been reviewed by legal counsel.
- Board members serve without payment unless the agency has a policy identifying reimbursement out-of-pocket expenses.



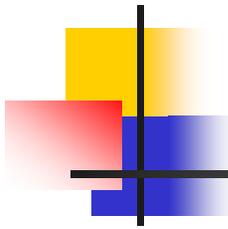
Human Resources (Staffing)

- The organization has a written personnel handbook/policy that is regularly reviewed, updated and approved by the Board.
- The organization follows nondiscriminatory hiring practices.
- The organization provides a copy of or access to the written personnel policy to all Board members, CEO, and all staff members.
- All staff members acknowledge in writing that they have read and have access to the personnel handbook/policies.
- The organization has job descriptions including qualifications, duties, reporting relationships and key indicators.
- The organization's Board of Directors conducts an annual review/evaluation of its CEO in relationship to a previously determined set of expectations.



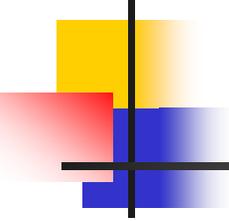
Human Resources (Staffing) - continued

- The Chief Executive Officer's salary is set by the BOD in a reasonable process and is in compliance with the organization's compensation plan.
- The organization requires employee performance appraisals to be conducted and documented at least annually.



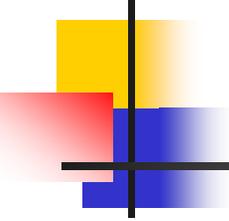
Human Resources (Volunteers)

- The organization has a clearly defined purpose of the role that volunteers have within the organization.
- Job descriptions exist for all volunteer positions in the organization.
- The organization has a well-define and communicated volunteer management plan.
- The organization follows a recruitment policy that does not discriminate and represents the diversity of the community.
- The organization provides appropriate training and orientation to assist volunteers.
- The organization is respectful of the volunteer's abilities and time commitment.



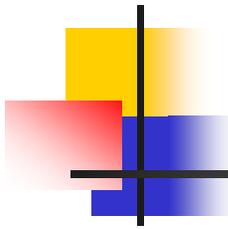
Human Resources (Volunteers) - continued

- The organization does volunteer performance appraisals periodically and communicates to the volunteers how they are doing and if changes need to be made.
- The organization does some type of volunteer recognition or commendation periodically.



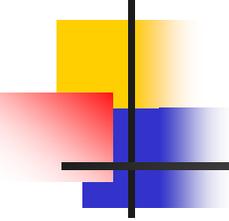
Strategic Planning

- The organization's purpose and activities meet community needs.
- The organization has a clear, meaningful written mission statement which reflects its purpose, values and people served.
- The Board and staff periodically review the mission statement and modify it to reflect changes in the environment.
- The Board and Staff developed and adopted a written strategic plan to achieve its mission.
- The plan was developed by researching the internal and external environment.
- The plan identifies the changing community needs including the agency's strengths, weaknesses, opportunities, and threats.



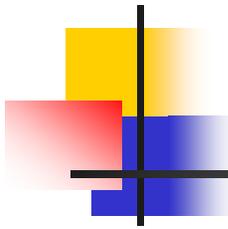
Strategic Planning - continued

- The planning process identifies the critical issues facing the organization.
- The plan sets goals and measurable objectives that address these critical issues.
- The plan integrates all the organization's activities around a focused mission.
- The plan prioritizes the agency goals and develops timelines for their accomplishments.
- The plan establishes an evaluation process and performance indicators to measure progress toward the achievement of goals and objectives in the plan.
- Financial resources are allocated to insure goals are achieved in a timely manner.
- The plan is communicated to all stakeholders of the agency.



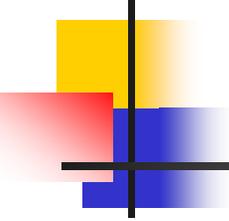
Program Planning

- Programs are congruent with the agency's mission and strategic plan.
- Sufficient resources are allocated to ensure each program can achieve the established goals and objectives.
- Staff has sufficient training and skill levels to produce the program.
- Each program has performance indicators to insure that the program meets its goals and objectives.
- Performance indicators are reviewed annually.



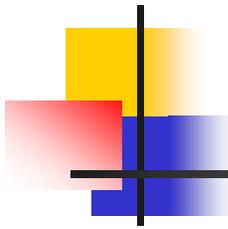
Organizational and Program Evaluations

- Yearly, the organization evaluates its activities to determine progress toward goal accomplishment.
- Stakeholders are involved in the evaluation process.
- The evaluation includes a review of organizational programs and systems to insure that they comply with the organization's mission, values and goals.
- The results of the evaluation are reflected in the revised strategic and/or program plan.
- The organization conducts a comprehensive evaluation of its programs periodically.



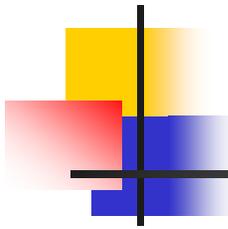
Financial Management

- The organization follows accounting practices which conform to generally accepted standards.
- The organization has systems in place to provide the appropriate information needed by staff and Board to make sound financial decisions and fulfill government requirements.
- The organization prepares timely financial statements: balance sheet, income statement and cash flow state.
- The organization develops an annual comprehensive operating budget. Budget is reviewed and approved by the BOD.
- The organization prepares cash flow projections.
- The organization reconciles all cash accounts monthly.
- The organization has a process in place to monitor that they are receiving appropriate and accurate financial information.



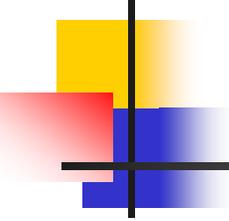
Financial Management - continued

- Government contracts, purchase agreements and grants are in writing and are reviewed by a staff member of the organization to monitor compliance with all stated conditions.
- Payroll is prepared following appropriate federal and state regulations and organizational policy.
- Persons employed on a contract basis meet all federal and state requirements for this form of employment. (1099's issued at year end.)
- The organization has a written fiscal policy and procedures manual and follows it.
- The organization has documented a set of internal controls, including handling of cash and deposits and approval over spending and disbursements.



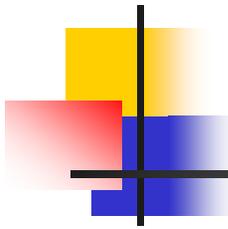
Financial Management

- The organization has a policy identifying authorized check signers and the number of signatures required on checks in excess of specific dollar amounts.
- All expenses of the organization are approved by a designated person before payment is made.
- The organization has suitable insurance coverage and it is reviewed periodically.
- Employees, Board members and volunteers who handle cash are bonded.
- The organization files forms in regard to tax-exempt and/or tax-deductible (charity) status in a timely basis within prescribed time lines.



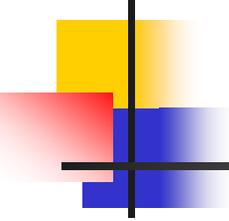
Financial Management - continued

- The organization has an annual, independent audit of their financial statements, prepared by a certified public accountant.
- The audit, or an organization-prepared annual report which includes financial statements, is made available to service recipients, volunteers, contributors, funders and other interested parties.



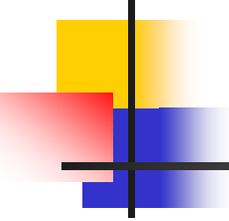
General Fundraising

- Funds are raised in an ethical manner for activities consistent with the organization's mission and plan.
- The Board of Directors and organization staff are knowledgeable about fundraising process and the roles of the organization.
- The organization's Board of Directors has established a committee charged with developing, evaluating and reviewing fundraising policies, practices and goals.
- The committee is actively involved in the fundraising process and works to involve others in these activities.
- The Board of Directors, Chief Executive Officer (if applicable) and committees support and participate in the total fundraising process, including project identification, cultivation, solicitation and recognition.



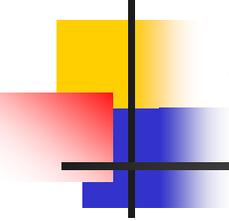
General Fundraising - continued

- The fundraising program is staffed and funded at a level consistent with fundraising expectations.
- The organization is accountable to donors and other key constituencies and demonstrates its stewardship through annual reports.



References:

- Authenticity Consulting, LLC, *Nonprofit Organizational Assessment*.
- Gulick & Urwick, *Development of Management Thought*.
- <http://www.managementhelp.org>
- <http://www.mapnp.org>



Tools

- Excellence in Management Profile
- <http://www.mapnp.org>
- National Minority AIDS Council: Action Handbook for Boards
- National Minority AIDS Council: Strategic Planning for AIDS Service Organizations
- National Minority AIDS Council: Fundraising For Social Change
- BSP & Associates: Agency Checklist