



## **Nine Elements of Organizational Capacity**

### **Effective Board Leadership**

- ◆ The organization has a diverse, well-organized board with able, involved members, reflecting the organization's constituents.
- ◆ The organization's board fulfills its oversight and audit functions.
- ◆ The organization's board engages in strategic planning to determine a coherent set of actions and programs aimed at fulfilling the organization's goals, while also revisiting the mission to ensure relevancy.

#### ***Indicators of effective board leadership:***

- Regularly scheduled appraisals of the CEO's performance.
- Presence of disbursement controls such as board approval of the budget, fund raising practices, establishment of a conflict of interest policy, and establishment of accounting procedures sufficient to safeguard finances.
- Each board member makes a personal monetary contribution to the organization each year.
- Accurate and up to date board minutes identifying all major decisions and key discussions.
- Board recruitment and orientation process in place and followed.
- The organization has a current strategic plan with measurable goals and objectives.

### **Effective Executive Director Leadership**

- ◆ The Executive Director is able to envision and articulate the organization's goals and establish the systems and mechanisms to achieve those goals.
- ◆ The Executive Director is able to respond positively to change.
- ◆ The Executive Director provides ongoing support and motivation to staff, and stimulates higher performance standards.

#### ***Indicators of effective executive director leadership:***

- The Executive Director holds regular employee performance evaluations.
- The Executive Director makes sure that all of the legal obligations related to finances are taken care of (payroll taxes, 990 filed, 501c3 letter, etc.)
- The Executive Director ensures that all basic accounting functions are completed in a timely manner (bank reconciliations, financial reports produced, documentation attached and filed for each expense and receipt, etc.)

### **Sufficient and Sustainable Funding**

- ◆ The organization has a diversified funding base, and is not overly reliant on any one funding source, whether it be private foundations, government grants, or social enterprises (if applicable).
- ◆ The organization has a long-term fundraising strategy with clear goals.
- ◆ The organization's fundraising program is maintained on a foundation of truthfulness and responsible stewardship

#### ***Indicators of sufficient and sustainable funding:***

- The organization has a current fund development plan.
- The organization has an appropriate level of operating reserves.
- The organization spends no more than 35% of related contributions on fundraising.

- An organized system for tracking funding requests, reports, and deadlines is in place and followed.

### **High Quality Service Delivery**

- ◆ The organization provides appropriate, timely and valuable programming and services to meet their missions and have an impact on their communities.
- ◆ The organization is able to adapt programs and practices to meet the changing needs of its clients and community.
- ◆ The organization has identified its core competencies and provides services within this range of competencies, while avoiding “mission creep”.

#### ***Indicators of high quality service delivery:***

- The organization conducts ongoing needs assessment and client satisfaction surveys to determine client needs and wants.
- The organization uses information from needs assessments and client surveys to implement necessary changes to service system to better meet client needs.
- The organization collaborates with other nonprofits, as well as with public and for-profit organizations in order to leverage its core services, while expanding accessibility to non-core services for clients.

### **Skilled Personnel**

- ◆ The organization is able to attract and retain the right people in the right roles, and invests in building its human resources.
- ◆ The organization’s staff (paid and volunteer) supports the organization’s values, vision and mission, delivering high quality services with competence and integrity.

#### ***Indicators of skilled personnel:***

- The organization has a personnel (paid and volunteer) management program in place that includes recruitment, orientation, placement, development, and termination strategies.
- The organization has written human resource policies that address both paid employees and volunteers. These policies are fair, establish clear expectations, and provide for meaningful and effective performance evaluation.
- The organization’s budget contains a line item for professional development and allows staff paid time off to attend professional development opportunities.
- The leadership conducts annual performance evaluations and establishes goals by which employees are evaluated.
- Staff turnover is low, especially in key management positions.

### **Effective Communication and Information**

- ◆ The organization is accessible and responsive to members of the public who express interest in the affairs of the organization.
- ◆ The organization is accountable to its constituents, active in evaluating its work and learning from success or failure.
- ◆ The organization documents its work, can calculate its cost per unit of service and can communicate the value of its service to donors, policymakers and the public.

#### ***Indicators of effective communication and information:***

- The organization has a brochure describing the organization’s programs and services.
- The organization has a website describing the organization’s programs and services.
- The organization has an organized mailing list for distributing various types of information.

- The organization regularly communicates information throughout the year to their stakeholders.

### **Technology Capacity Commensurate with Need**

- ◆ The organization's IT infrastructure, equipment, and knowledge are sufficient to carry out the daily mission of the organization.
- ◆ The organization's technology ensures staff efficiency.
- ◆ The organization's management information systems track service data and outcomes well.
- ◆ The organization is able to create greater visibility through the Internet.

#### ***Indicators of technology capacity:***

- Every staff member has access to a computer and has his/her own e-mail address.
- Every staff member has the IT training they need to perform their job functions.
- The organization backs up its data and computer files on a daily basis, with the back-ups kept off-site.
- The organization's computer systems are password protected.
- Technology costs are a line item in the organization's budget.

### **Adequate Physical Space**

- ◆ The organization's facilities (including satellite sites or social enterprise facilities) are regularly maintained and offer a safe and inviting environment for staff, volunteers and the clients it serves.

#### ***Indicators of adequate physical space:***

- The organization's facilities and operations pass building, health and safety codes.
- The organization's staff has appropriate space to carry out their job functions.

### **Credibility in the Community**

- ◆ The organization aspires to be transparent to its internal and external publics.
- ◆ The organization engages in marketing and outreach strategies that contribute to the public's positive perception of the organization.

#### ***Indicators of credibility in the community:***

- The organization makes available to all, upon request, complete annual financial statements prepared in accordance with generally accepted accounting principles. These statements are audited in accordance with generally accepted auditing standards.

## Sources

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