## Nonprofit Organizational Assessment Tool

The following checklist was designed to help you review the strategies and practices that your organization might want to put in place to further its effectiveness.

**VISION, MISSION & PROGRAM:**

| INDICATOR | IN GOOD SHAPE | NEEDS WORK | WHO WOULD REVIEW /OVERSEE IMPROVEMENT PROCESS? |
|---|---|---|---|
| 1. **Mission** is clear, meaningful & niche specific. | | | |
| 2. The vision statement communicates the organization's "future direction" and desired results. | | | |
| 3. The board and staff periodically review the mission statement and modify it to reflect changes in the environment. | | | |
| 4. The organization frequently evaluates its relevancy by soliciting community input on how its mission and activities provide benefit. | | | |
| 5. Other organizations doing similar work and/or in the same community speak highly of your work. | | | |
| 6. The organization is recognized as an institution; it is not identified solely with one or two people who work there. | | | |
| 7. The organization is able to demonstrate meaningful & measurable outcomes. | | | |
| 1. **Programs** align with the organization's core vision, mission and expertise. | | | |
| 2. Programs align with the priorities identified in the strategic plan. | | | |
| 3. Programs are based on a documented need. | | | |
| 4. Programs are shaped by the input of current and potential clients, staff, board, volunteers, evaluation data, and lessons learned by others in the field. | | | |
| 5. Prog.design includes ways to measure progress, outcomes | | | |

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| INDICATOR | IN GOOD SHAPE | NEEDS WORK | WHO WOULD REVIEW /OVERSEE IMPROVEMENT PROCESS? |
|---|---|---|---|
| 6. Programs change over time as lessons learned are incorporated or as needs of clients or the community change. | | | |
| 7. Outcomes and findings are used to: | | | |
| • Identify staff and volunteer training and technical assistance needs. | | | |
| • Identify areas of improvement. | | | |
| • Guide budget and resource allocations. | | | |
| • As part of annual planning. | | | |
| • To promote the program. | | | |
| • To identify partners for collaboration | | | |
| • To communicate results to stakeholders. | | | |
| • To demonstrate accountability for results to current /prospective donors. | | | |

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**TEAM, STRUCTURE & GOVERNANCE:**

| INDICATOR | IN GOOD SHAPE | NEEDS WORK | WHO WILL REVIEW/OVERSEE IMPROVEMENT PROCESS? |
|---|---|---|---|
| 1. Board member expectations are clearly communicated, and in writing. | | | |
| 2. Board and staff have clearly defined roles and written job descriptions | | | |
| 3. A board manual is updated regularly, provided to all members | | | |
| 4. Committee structure in place that reflects organizational need | | | |
| 5. Training and professional development opportunities are available and taken advantage of. | | | |
| 6. Board hires the executive director; the executive director hires staff. | | | |
| 7. Board reviews executive director's performance annually. | | | |
| 8. Written personnel, conflict of interest/self-dealing, diversity, and board term limit and other policies exist. | | | |
| 9. Decision making is handled by the board of the whole, through established protocols | | | |
| 10. A board nominations process is in place that ensures all the necessary skills are recruited to the board. | | | |
| 11. Volunteers are trained, managed and rewarded. | | | |
| 12. Staffing structure is reviewed *by position* (not by personalities in positions) every few years | | | |

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**FINANCIAL MANAGEMENT & OPERATIONS:**

| INDICATOR | IN GOOD SHAPE | NEEDS WORK | WHO WOULD REVIEW/OVERSEE IMPROVEMENT PROCESS? |
|---|---|---|---|
| 1. Yearly audits conducted, read and understood | | | |
| 2. Quarterly financial statements are prepared, using a consistent format, and reviewed by the board. | | | |
| 3. Senior staff and board members can cite simple budget figures & answer basic financial questions at a moment's notice. | | | |
| 4. Board members and staff leaders are trained on how to read, interpret and use the organization's financial statement. | | | |
| 5. Budget process follows an annual calendar; board approves annual budget & plan | | | |
| 6. Written financial control policies exist, including the handling of cash and deposits, and approval over spending and disbursements. | | | |
| 7. There are written guidelines on who can authorize debt. | | | |
| 8. The board reviews that status of all debt on an ongoing basis. | | | |
| 9. The treasurer reports the number of days of cash on hand at the end of each reporting period. | | | |
| 10. Monthly cash flow statements are prepared and reviewed by staff/board. | | | |
| 11. Space/facilities needs are monitored; a facilities plan is in place | | | |
| 12. The budget is used as a management tool. | | | |

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## PLANNING

| INDICATOR | IN GOOD SHAPE | NEEDS WORK | WHO WOULD REVIEW/OVERSEE IMPROVEMENT PROCESS? |
|---|---|---|---|
| 1. **Strategic plan** is in place. | | | |
| 2. An evaluation process and performance indicators measure the organization's progress toward its goals, per the strategic plan. | | | |
| 3. The strategic plan is reviewed annually by staff and board, and adjusted as necessary. | | | |
| 4. The organization networks and/or collaborates with other organizations to produce the most comprehensive and effective services and programs. | | | |
| 5. Board, staff, volunteers, service recipients, key constituents and general members of the community are involved with the planning process. | | | |
| 6. The plan identified the changing community needs, including the agency's strengths, weaknesses, opportunities, and threats. | | | |
| 7. The plan prioritizes the organization's goals and has timelines for their accomplishment | | | |
| 8. The plan identifies key constituents, their service expectations, and how the organization will respond to them. | | | |
| 9. The approach or method for attaining goals and resolving specific issues has been developed based on direct input, research, and understanding of "best practices." | | | |

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**RESOURCE DEVELOPMENT:**

| INDICATOR | IN GOOD SHAPE | NEEDS WORK | WHO WOULD REVIEW/OVERSEE IMPROVEMENT PROCESS? |
|---|---|---|---|
| 1. **Fundraising** plan is in place that includes multiple strategies for revenue generation. | | | |
| 2. Fundraising is staffed. | | | |
| 3. Plans are reviewed annually, strategies evaluated continually. | | | |
| 4. 100% of the board gives to the organization—it's a written policy! | | | |
| 5. Fundraising team works closely with program team on annual planning, and on reporting to donors. | | | |
| 6. Fundraising also understood as public education, communications, way to reinforce program—not just as means to a budget goal. | | | |
| 7. The organization knows and follows funders' policies relative to unexpended income, restricted income, and reporting requirements. | | | |
| 8. The organization budgets fundraising adequately, understands it must invest in fundraising to survive and grow. | | | |
| 9. Fundraising practices follow AFP ethical standards | | | |
| 10. All board participates in fundraising efforts. | | | |
| 11. The organization has invested in technology that builds capacity for resource development. | | | |
| 12. The organization does appropriate prospect research, maintains records of past giving that will assist with cultivation and development of donors. | | | |

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# Characteristics and Practices of

| Less Effective Nonprofit Organizations | More Effective Nonprofit Organizations |
|---|---|

## Mission, Vision, Program

| | |
|---|---|
| Prompted by individual charitable impulse | Prompted by thoughtful, collective decisions |
| Program shaped exclusively by service *providers* | Program shaped equally by service *recipients* |
| View of work is broad, mission is vague | Mission is clear, view is strategic, niche-specific |
| Some tendency to serve private interest | Clearly focused on serving public interest |
| Programs don't always tie into mission | Clarity of mission evident in focused programs |

## Team, Structure, Governance

| | |
|---|---|
| Board and staff roles unclear, melded | Board and staff roles clear, defined and separate |
| Board micro-manages all functions, even after start-up phase is over | Board sees chief duties as policy-setting, overall stewardship and financial health |
| Volunteer development haphazard | Volunteers trained, managed, rewarded |
| Board believes policies are "implicit" in work | Board makes policies "explicit" in writing |
| Decision-making dominated by founders or other small group of stakeholders | Decision-making by board as whole, following established channels and protocols |
| Board gets involved in hiring all staff | Board only hires ED; ED hires others |
| Progresses by fits and starts, project to project | Develops & regularly consults strategic plan; uses planning as a tool for direction setting |
| Board nominations are eccentric and random—Members drawn from same well. | Nominations process follows clear procedures – Members diverse and therefore board talent-rich |

## Resource Development, Financial Management, Operations

| | |
|---|---|
| Budgeting often begins with what the organization thinks it can or should *spend* | Budgeting begins with assessment of needs, and with what the org. thinks it can or should *raise* |
| Organization regularly spends outside budget | Organization uses budget as management tool |
| Fundraising is scattershot, whimsical, an afterthought; often heavy reliance on a few core donors | Fundraising is staffed, annualized, maintained by clear systems and multiple strategies |
| Organization hesitant to invest in fundraising infrastructure or communications; fears spending on anything but program | Organization understands it must invest in itself to survive and grow; to publicize & deliver programs properly, and to reach out to new constituents |
| Sees fundraising only as means to budget goal | Also sees fundraising as public education & communications, a way to reinforce program |
| Exclusive reliance on government and foundation grants | Individual contributors also part of the mix, as well as earned income, corporate support |
| Few board members make financial contributions, think volunteering is enough | 100% board giving, no matter what the level |
| Frequent crisis cash flow borrowing | Short and long-term financial planning and cash management policies in place |
| No one reads or understands the budget or audit | Leadership understands what audit conveys |
| Lives within inadequacies of existing space, often tailoring program to the space | Develops facilities plan so that space can ultimately be tailored to program needs |

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