Principles & Practices

for Nonprofit Excellence in Michigan

Organizational Assessment and Planning Tool

Companion to *Principles & Practices for Nonprofit Excellence in Michigan* © 2009

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MNA

Michigan Nonprofit Association

Content

Introduction

With help and guidance from Michigan's Management Support Organization (MSO) Network, in addition to many leaders of the nonprofit, government and private sectors, the Michigan Nonprofit Association has developed *Principles & Practices for Nonprofit Excellence in Michigan (Principles & Practices)* to assist Michigan's charitable organizations in building capacity while enabling them to demonstrate accountability and transparency. Some practices reflect legal requirements and/or steps that all nonprofits should take, while others are aspirations. Although many of the principles and practices detailed herein will be helpful to all nonprofits, they are specifically written for Michigan nonprofit corporations that are tax-exempt under 501(c)(3) of the Internal Revenue Code and that are public charities (i.e., not private foundations).

Michigan Nonprofit Association (MNA) recognizes that good organizational practices are primarily implemented through education and self-regulation. Thus, *Principles & Practices for Nonprofit Excellence in Michigan* is intended to serve as an educational resource to improve the efficiency, transparency and accountability of Michigan's charitable organizations.

Adherence to *Principles & Practices for Nonprofit Excellence in Michigan* is NOT MANDATORY. There is no certification or accreditation process; it is not designed as a report card. Simply, *Principles & Practices for Nonprofit Excellence in Michigan* provides a planning and assessment framework that raises the bar for nonprofit performance. It is intended as a tool for nonprofits to live up to the challenge posed by Stephen Covey and other thought leaders: "Begin with the end in mind." A traveler employing an atlas might identify many alternative routes that lead to the final destination: the atlas itself does not determine the path, but provides an overview of options and serves as a starting point for decision making. Think of *Principles & Practices for Nonprofit Excellence in Michigan* as a nonprofit atlas, then, enjoy the journey.

Purpose

Principles & Practices for Nonprofit Excellence in Michigan has three intended purposes:

♦ Provide individual charitable organizations striving for excellence with a Michigan-specific tool for evaluating regulatory compliance, enhancing strategic planning, and refining operational evaluation.

♦ Support the growth and quality of the sector.

♦ Increase public understanding of the role and contributions of the charitable nonprofit sector in Michigan.

These principles and practices are intended to serve as a guide for all charitable nonprofits to implement practices that are legal, ethical, and effective. They are meant neither to be used by funders or government as a "litmus test" to evaluate charitable organizations, nor are they intended as a substitute for the wisdom of directors, staff, and advisors of individual organizations. Note also that this guidebook is not meant to be construed as legal advice, and is not a substitute for individualized consultation with an attorney.

Definitions

The following terms are used throughout this document:

♦ A "**principle**" is a broad statement that defines a suggested ethical or managerial direction for a nonprofit organization.

♦ A "**practice**" is a suggested method to aid in achieving the principles.

♦ Whenever the term "**must**" is used, federal or Michigan state laws exist that require all 501(c)(3) charitable nonprofit organizations to conform to that practice. These requirements are denoted with a *MI (Michigan law) or *US (federal law).

♦ The term "**should**" means that the practice is not required by law, but is generally recommended depending upon the nature, resources, and lifecycle stage of the nonprofit organization.

♦ In this document the terms "**charitable organization**" and "**nonprofit organization**" are used interchangeably to refer to nonprofit organizations that are tax-exempt under 501(c)(3) of the Internal Revenue Code.

♦ "**Capacity**" generally refers to an organization's level of ability to achieve its stated mission. Many factors affect capacity including the lifecycle stage of the organization, a sudden increase or decrease in funding, skill level of staff, changes to staff or governance, and/or a variety of other factors over which the organization may have no control.

♦ "**Accountability**" generally refers to an organization's ability to answer questions regarding appropriate expenditure of funds and/or service impacts and outcomes that demonstrate progress toward its mission.

Using this Tool

Completing this assessment is a key step in building an effective and efficient nonprofit organization – one that is better prepared to provide focused community service in pursuit of **mission achievement**. Before you begin the assessment, however, we'd like to provide you with an understanding of this tool and its potential applications.

What the tool is:

♦ **A starting point for organizational assessment and planning** – myriad tools exist to assess various components of organizational effectiveness. The purpose of *Principles & Practices* is to provide a broad overview of your organization's current level of functioning, and provide resources to strengthen areas that are in need.

♦ **A non-judgmental resource for creating a thumb-nail sketch of the organization's current level of functioning** – *Principles & Practices* is not designed to be a report card, or to compare your organization to others. *Principles & Practices* is designed to outline identified good practices and to help you determine the strengths and challenges of your nonprofit. Your organization's leaders should consider your results in the context of your stage of organizational development. Organizations early in their development may naturally score "lower" in some areas than more mature or well-established organizations. Your understanding of Nonprofit Lifecycles and the interconnectedness of capacity and impact will be critical in setting appropriate benchmarks and goals for your organization.

♦ **Brief and relatively painless** – you will find more in-depth assessments that involve multiple constituencies or that may focus on one particular aspect of your organization. This tool is designed to provide a "first glance" and as such we have kept this tool focused on the interconnection and relevance of all actions to issues of general accountability and mission achievement.

What the tool is NOT:

♦ **The be-all, end-all of organizational assessment** – many models exist; many models are effective. It is important to remember that this Assessment Tool is an objective source of information not reliant upon or designed to reflect on any particular paradigm or style for management or governance. *Principles & Practices* is designed to be a stepping stone, allowing you to assess your current strengths and challenges and then leading you to develop an action plan that will enhance your chance for success.

♦ **A quick fix for whatever ails you** – this tool will not solve all of your problems, but it will help you identify critical areas and identify specific actions that will bring you closer to resolution.

♦ **Accreditation, certification, or a stamp of approval** – the experience of completing this assessment is personal in that it belongs to your organization. It is based on your perceptions and actions. There is no external reward or acknowledgement for completing the *Principles & Practices* Assessment: the intrinsic value comes in the knowledge of how to move forward more effectively.

Please remember: this Assessment Tool is designed to help you identify what you are doing well and create an action plan for addressing your challenges. Honesty is critical to conducting a thorough assessment and establishing real goals. Your results may be cause for celebration; may make you mildly uncomfortable; or may send up multiple red flags for potential crisis or conflict. The key is for you to remember that the results belong to your organization. This is not a public document, and you don't need to worry about "impressing" anyone. You simply need to answer the questions as honestly as possible so you can advance to a position of knowledge and clarity.

Potential applications of this tool:

♦ **Individual** – as a new executive or lead volunteer, you may find it helpful to complete the *Principles & Practices* Assessment as a way to orient yourself to the organization you serve. The results need not be made public, but can be used to provide a personal work plan or frame of reference as you move forward. Seasoned executives and volunteers will find the tool equally helpful as a reflection and assessment practice to aid in future planning.

♦ **Team/Focus Group** – for a broader sense, gather a team or focus group to complete the Assessment Tool. Involve a range of staff, volunteers, and service recipients as appropriate. Compile responses for an overall perspective. A more objective picture will be available if the "post-assessment" process involves an outside facilitator.

♦ **Board Assessment** – invite the board to complete the assessment as individuals or small groups and then compile the feedback. The results can provide a good starting point for a strategic planning retreat or program planning meeting, and can also serve as a positive "first step" for a new executive and his/her board.

♦ **Consultant** – a consultant could facilitate the *Principles & Practices* Assessment process for your organization, help to interpret the results, and then work with you to design a plan of action. The objectivity of an outside party can be very helpful as they can often coax out real thoughts and issues that might not otherwise be revealed.

After the tool is complete:

Completion of the tool will help you generate an organizational "Action Plan" that your board and/or staff can use to prioritize and assign tasks as appropriate. If you have multiple parties complete the assessment on behalf of your organization (the ideal process for an objective view), it is recommended that you participate in a group process to evaluate the summary scores and prioritize tasks. Allow the tool to provide a working framework for organizational improvement and, ultimately, mission achievement.

Implementation

While Michigan has a diverse community of charitable organizations, it is also important to note the great diversity of best practices in the nonprofit sector and to acknowledge that not "one size fits all" organizations. Each nonprofit organization should conduct a careful organizational assessment, including evaluating its own stage in the nonprofit lifecycle, to establish where it is and where it wants to be. *Principles & Practices* is intended as a basis for each organization (board, staff, and other constituents) to make a conscious determination of how to best move forward and ensure that its programs and services are of high quality.

Simply reading through *Principles & Practices* is not sufficient. While participation and adherence is strictly voluntary, implementing the recommendations and aspiring toward greater efficiency and effectiveness will bring credibility to an organization in the eyes of the public, funders, community partners, staff, volunteers and the audience it serves. Therefore, each nonprofit is encouraged to develop a thoughtful and strategic process for organizational assessment and planning that includes the following elements:

♦ review and adoption of a set of standards or principles to which the organization can commit;

♦ review of the *Basic Infrastructure Checklist*;

♦ identification of the lifecycle stage of the organization and as a means to frame appropriate expectations;

♦ organizational assessment to identify strengths and growth areas;

♦ development of an action plan that will allow the organization to address its growth areas and to maintain and promote good practices where they exist; and

♦ implementation of the plan through individual work plans and periodic progress reviews.

Note: A number of frameworks have been developed related to nonprofit lifecycles. Michigan Nonprofit Association typically employs *Nonprofit Lifecycles: Stage-Based Wisdom for Nonprofit Capacity* by Susan Kenny Stevens www.stagewiseenterprises.com as the basis of its lifecycle work with nonprofits. This handy reference outlines seven stages of nonprofit capacity, includes a user-friendly assessment tool to identify the organization's lifecycle "stage" and provides specific recommendations for every stage of development.

Legal Accountability

All nonprofit organizations operating in the state of Michigan should be aware of and in compliance with all legal requirements pertaining to nonprofit management, reporting and governance. Visit the following Web sites for a summary of applicable laws, links to helpful resources, and downloadable forms:

♦ Staying Legal for Michigan Nonprofits
www.stayinglegalmi.org

♦ Michigan Attorney General, Charitable Trust Section
www.michigan.gov/ag

♦ Michigan Department of Labor and Economic Growth
www.michigan.gov/dleg

♦ Internal Revenue Service
www.irs.gov/charities

Flexibility

It is important to note that some organizations will have acceptable reasons to deviate from the recommended practices. Such exceptions need not imply a lack of transparency and accountability, but may warrant conversation among the organization's leadership. Many nonprofit organizations already adhere to strict best practices programs, and there are numerous programs in specific nonprofit subsectors. For that reason, *Principles & Practices* should be utilized as a tool to increase transparency and accountability, and should be considered alongside other programs that may already exist for specific types of nonprofits.

Principles are presented in alphabetical order. It is difficult to arbitrarily prioritize one principle over another without sufficient assessment and knowledge of the organization, in addition to the fact that the principles and recommended practices are interconnected. It is up to your organization's leaders to identify your top priority, work through that area, celebrate your success and move on to the next task.

Additional Resources

We also recommend that nonprofit leaders review and refer to the following materials for ongoing support and guidance:

♦ *Michigan Nonprofit Management Manual*
www.MNAonline.org

♦ Staying Legal for Michigan Nonprofits
www.stayinglegalmi.org

♦ Alliance of Fundraising Professionals (AFP) Code of Ethical Conduct for Fundraisers
www.afpnet.org

♦ Independent Sector's Code of Ethics for the Nonprofit Sector
www.independentsector.org

♦ BoardSource reference materials and publications on governance
www.boardsource.org

♦ Nonprofit Risk Management Center
www.nonprofitrisk.org

♦ Nonprofit Good Practice Guide
www.npgoodpractice.org

For assistance through training or consulting services, contact MNA or a local MSO (management support organization) by visiting www.MNAonline.org/mso.asp

Acknowledgement

Principles & Practices for Nonprofit Excellence in Michigan is adapted in part from *Principles & Practices for Nonprofit Excellence* developed by the Minnesota Council of Nonprofits © MCN 2004, and used with permission. Michigan Nonprofit Association extends its deep gratitude to Michigan's Management Support Organization (MSO) Network, Maine Association of Nonprofits, Colorado Nonprofit Association and North Carolina Center for Nonprofits for their input and generosity in the constant evolution and enhancement of this resource.

If you need help

If any points are unclear, or you would like some outside help in the process, feel free to contact MNA or any member of the Michigan Management Support Organization (MSO) Network found at www.MNAonline.org/mso.asp

Guiding Principles

COMMUNICATION

Nonprofit organizations should have thoughtful, intentional systems for general communications, marketing, and media relations in order to promote and advance mission achievement. Internal communications help to motivate, inform, and counsel employees and volunteers of nonprofits and to set the stage for external communications. External communication helps to attract and retain constituents and to raise public consciousness, understanding, and commitment to the organization. Working with the media is a necessary part of effectively communicating an organization's mission to the general public, donors, volunteers and policymakers.

EVALUATION

As entities that serve the public, nonprofit organizations have an obligation to demonstrate their value to the public. The public has a stake in nonprofit performance and is entitled to information regarding organization results. Nonprofits should regularly measure their performance against a clear set of goals and should share such information with their constituents. Nonprofit evaluation should be appropriate to the size and purpose of the organization, and evaluation data should be used to continually improve the quality of processes, programs and activities.

FINANCIAL MANAGEMENT

Nonprofits have an obligation to act as responsible stewards in managing their financial resources. Nonprofits must comply with all legal financial requirements related to financial matters. They should adhere to sound accounting principles that ensure fiscal responsibility and build public trust. Nonprofits should use their financial resources to accomplish their missions in an effective, efficient manner and should establish clear policies and practices to regularly monitor how funds are used.

FUNDRAISING

Nonprofit organizations play an important societal role in serving as the vehicles by which philanthropy occurs. Nonprofits act as the intermediaries between donors and beneficiaries and have ethical obligations to ensure proper handling of funds to carry out their missions. Nonprofit fundraising should be conducted according to the highest ethical standards with regard to solicitation, acceptance, recording, reporting, and use of funds. Nonprofits should adopt clear policies for fundraising activities to ensure responsible use of funds for designated purposes and open, transparent communication with donors and other constituents.

GOVERNANCE

A nonprofit board of directors is responsible for defining the organization's mission and for providing overall leadership and strategic direction to the organization. A nonprofit board actively sets policy and ensures that the organization has adequate resources to carry out its mission. The board provides direct oversight and direction for the executive director and is responsible for evaluating his/her performance. A nonprofit board also has a responsibility to evaluate its own effectiveness in upholding the public interest(s) served by the organization.

HUMAN RESOURCES

Effective management of human resources is essential for creating successful organizational results. Nonprofit organizations should exercise fair and equitable human resource practices that attract and retain qualified individuals. Nonprofits have an obligation to adhere to all legal employment requirements and to provide a safe work environment. Nonprofit organizations should establish specific policies and practices that promote mutual cooperation to advance the organization's interests, and that reflect appropriate industry standards for remuneration.

INFORMATION TECHNOLOGY

Effective and appropriate use of technology is critical to maintaining a nonprofit organization's accountability and relevance. A nonprofit should manage information with regard for confidentiality, safety, accuracy, integrity, reliability, cost-effectiveness, and legal compliance. A nonprofit should incorporate appropriate technology into its work to improve its efficiency, efficacy, and accuracy in the achievement of its mission.

PLANNING

Organizational planning is a process that defines a nonprofit's overall direction, activities and strategies to fulfill its mission. Nonprofits have a duty to engage in sound planning to define a clear vision for the future. In order to best position organizations to achieve their goals, nonprofit planning should include input from constituents and should be intentional and ongoing.

PUBLIC POLICY AND ADVOCACY

Nonprofit organizations play a central role in the democratic process by providing a means for public participation and promotion of the common good. As entities that serve the public, nonprofit organizations should engage in public policy and advocacy activities to promote constituent, organizational and sector interests. Nonprofits should work to promote broad public participation in public policy and advocacy efforts and should provide assistance to the public in these efforts.

STRATEGIC ALLIANCES

Strategic alliances can take many forms and can serve multiple purposes, such as partnership, sharing of resources, and improved operational efficiency. Strategic alliances help to strengthen individual nonprofit capacity and the capacity of the sector as a whole. Nonprofit organizations should be open to strategic alliances and, when appropriate, should partner with other organizations to enhance their capability to achieve desired results. Nonprofits should work to promote cooperation and coordination among a variety of entities to avoid unproductive duplication of services and to maximize the resources available to the communities they serve.

TRANSPARENCY AND ACCOUNTABILITY

As entities that serve the public, nonprofits have an ethical obligation to conduct their activities in a way that is accountable and transparent to their constituents. Nonprofits should engage in ongoing efforts to openly convey information to the public about their missions, activities, and decision-making processes. This information should be easily accessible to the public and should create external visibility, public understanding, and trust in the organization.

VOLUNTEER ENGAGEMENT

Effective volunteer engagement is critical to the success of a nonprofit. The time, talent and treasure provided by volunteers help an organization maximize results in working toward its mission. Nonprofit organizations should exercise fair and equitable volunteer management practices that attract and retain qualified individuals. An effectively managed volunteer program can build an organization's efficiency, enhance community engagement, provide specialized expertise, and increase the community's awareness of issues and resources through a knowledgeable pool of ambassadors and donors.

Framework:

♦ *Principles & Practices for Nonprofit Excellence in Michigan: Organizational Assessment and Planning Tool* is divided into twelve response grids, each reflecting the recommended practices and "Walking the Talk" for the given guiding principle.

♦ You should assess whether or not your organization implements the recommended practices by checking **yes/always, usually, sometimes, seldom** or **no/never** in the response grid.

♦ Recommended practices notated with a ***MI** or ***US** denote items required by state or federal law and should not be considered "optional" - your first priority should be to ensure these requirements are **always** met.

♦ At the end of each response grid, you will generate a "score." The "score" in and of itself is not an end product: it is simply to provide a reference point of your current functioning and to help you focus on targeted areas of improvement.

♦ The "Walking the Talk" suggestions at the end of each section will help you identify how you can strengthen your policies and procedures in a given area by providing concrete examples of what good practice might look like. It is important to remember that no organization is "perfect" and that adapting to a changing nonprofit environment means there is always room to grow.

♦ Use the Action Plan worksheet in Section III to create benchmarks and timelines to measure your progress toward implementation of goals and action items.

*MI = Michigan Law *US = Federal Law

Guiding Principle: Communication

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our organizational communications adhere to the highest ethical and professional standards, as well as any industry specific standards that may exist, including principles of transparency, fairness and honesty. Our standards are clearly stated in writing and are part of the orientation of all employees and volunteers.					
2. Our nonprofit has a clearly defined, written communication plan that supports the organization's mission and vision and guides daily activities. The communication plan is directly related to the strategic plan and demonstrates accountability to constituents and the public.					
3. Our communication plan includes goals, target audiences, key messages, intended outcomes, and a means to evaluate impacts. Appropriate strategies and tools are employed to achieve intended outcomes and may include: a Web site, advertising, public service announcements, promotional brochures and flyers, news releases, press conferences, feature stories, special events, editorial board meetings and opinion editorials.					
4. Our communication plan ensures that the organization is communicating in a clear and timely manner with those who request information. Our constituents are provided with ongoing opportunities to interact with the board and management regarding the organization's activities and a system is in place for promptly and respectfully responding to grievances or complaints.					
5. Our nonprofit meets all federal requirements for public disclosure. (See *Principles & Practices for Nonprofit Excellence in Michigan Guide* for details.) ***US**					
6. Information provided to policy makers, the media and the general public becomes a matter of public record. Therefore, our nonprofit ensures that information is timely and accurate, and that the social and political context of information is clear to avoid misunderstanding or manipulation of the message.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
7. In serving the public trust, our nonprofit produces an annual report that contains information regarding activities and performance. The annual report includes: ■ An explanation of the organization's mission, activities and results; ■ An explanation of how individuals can access programs/services; ■ Overall financial information, including income and expense statements, balance sheet and functional expense allocations; and ■ A list of board members, management staff, partners/supporters and donors.					
8. Our nonprofit encourages internal communication that welcomes alternative perspectives, invites and encourages participation at all levels, minimizes defensiveness, and builds and maintains camaraderie. Management solicits actively, listens carefully, and responds respectfully to the views of internal constituents.					
9. Internal communications are guided by a clear policy and practices manual, with information exchanged through regularly scheduled and attended meetings, regularly printed and/or e-mailed informational updates, an understood forum for suggestions, reports on meetings of the board of directors and its committees, recognition, and social events.					
10. Our nonprofit has a written policy and procedures for developing public statements and positions on issues which clearly identify the primary organizational spokesperson(s) that are authorized to make public statements. These statements and positions represent the full range of views of the organization's constituencies. All internal constituents are aware of the statement and position policy.					
11. Our nonprofit openly communicates with other nonprofits to share and gather information on lessons learned and best practices and to avoid duplication of services.					
12. Our nonprofit ensures that all information provided to policy makers, the media and the general public is timely and accurate because it is a matter of public record and the context is clear to avoid misunderstanding or manipulation of the message.					

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
13. Our nonprofit has a media relations strategy through which appropriate representatives of the organization: a. Frequently update a press list of all the major newspapers, weeklies, television, radio and internet news sources; b. Build relationships with individual reporters and become a resource for local media; c. Coordinate messages to the media, ensuring that communications are well-rehearsed, brief, timely and newsworthy.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Communication score			/39 = %		

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
    a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Communication

- Develop a centralized file of approved public statements (including an organizational "elevator speech") regarding organizational mission, vision, history, and primary talking points. Share with board, staff, and other key volunteers.

- Develop an internal process for reviewing written material before it is disseminated to ensure accuracy, clarity, and consistency.

- Discuss the organizational branding approach/policy with board and staff to ensure everyone has a common understanding of intended message and impact of communications.

- Build a couple of key points into staff and board orientation:
  - IRS public disclosure regulations and organizational process for meeting them
  - Appropriate use of organizational logo, symbols, letterhead, statements, and other official materials
  - An orientation to the basics of the nonprofit's communication plan – make sure everybody understands what needs to be approved by whom.

- Encourage staff and board to collect and submit "good stories" on an ongoing basis for use in annual report, grant applications and reporting, evaluation reports and other public communication.

- Develop and provide a safe forum for all constituents to provide feedback on organizational performance.

- Ask board, staff, and volunteers if there are ways to make your newsletter and annual report (and other external communication pieces) more effective. What are the highlights? What isn't captured? Who doesn't receive it, but should?

- Consider a wide range of electronic communication and social media as options for communicating with constituents; engage staff/volunteers familiar with technology trends to help you make decisions in the absence of a formalized strategy.

- Consider generational communication differences and expectations when planning your various communication strategies – make sure your delivery systems are targeted to your audience.

- Develop a "media specialist" on your staff and coordinate communication efforts with your advocacy, lobbying and policy efforts for consistency of message. Spend some time developing a database of local media, get to know their focus areas and deadlines, and identify the "right" contact in each outlet. Establish yourself as a resource for media outlets: in addition to releases about your organization's events, help them with breaking stories by sharing relevant data and background information on a particular topic. Give them leads on other stories that may be newsworthy.

- Communicate regularly with other organizations in your area. Share information and resources to establish your organization as one who is invested in improving the community rather than competing. Keep abreast of activities and events that impact your (and their) work. Consider participating in (or establishing) director's networking breakfasts or brown bag lunch conversation circles.

- Identify key contacts with local government units (city, state, county, various departments) and business leaders to keep them apprised of your efforts. Add contacts to your newsletter mailing list or email alert system. Schedule breakfast or lunch meetings that will help you build a relationship before there's an "issue" to address. Discuss mutual goals as well as opportunities for partnership and collaboration.

- Develop a communication strategy to keep your community engaged and informed. Share annual reports, newsletters and media releases with targeted individuals. Invite constituents to focus groups or town-hall meetings to discuss community needs and gain input on your work. Establish a context of partnership and stewardship of community resources rather than servitude.

Guiding Principle: Evaluation

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit has defined, ongoing and sustainable procedures in place for evaluating its programs, procedures, and outcomes in relation to its mission.					
2. Our nonprofit regularly monitors the satisfaction of service participants and constituents and provides a grievance procedure to address complaints.					
3. Information that is collected from persons served is kept confidential.					
4. Evaluation results are used to strengthen and improve our programs and activities by incorporating evaluation findings into strategic planning processes.					
5. Measurement informs the operational plan and is used to evaluate organizational effectiveness.					
6. Performance measures are realistic, specific, measurable, and appropriate to the size and scope of the organization and its constituents.					
a. Measurement includes information on satisfaction, activities, results, and community input.					
b. Measurement includes both qualitative and quantitative data.					
c. Measurement includes data on efficiency and effectiveness.					
7. Our evaluation strategy is ongoing and includes input from a wide variety of stakeholders including staff, board, funders, community members, etc.					
8. Evaluation results are communicated to a broad range of constituents including staff, board, clients, foundations, the public, etc.					
9. Our nonprofit shares relevant lessons learned with other nonprofits and funding sources.					

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
10. Our nonprofit organization utilizes external evaluators when appropriate and feasible. These evaluators follow the Guiding Principles for Evaluators set forth by the American Evaluation Association. http://www.eval.org/GPTraining/GP%20Training%20Final/gp.principles.pdf.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Evaluation score	/30 = %				

Processing our score:

1.   How do I/we feel about the score?

2.   Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3.   What priority should we place for action on this particular Principle?
     a. high   b. moderate   c. low

4.   What questions remain to be answered before we can proceed?

Walking the Talk: Evaluation

- When designing a new program/project, identify very specifically how it will impact your mission through measurable outcomes addressing identified needs.

- Consumer feedback should be a significant component of ongoing evaluation efforts. Develop an evaluation plan (including surveys, focus groups, post-service feedback and other tools) that includes regular consumer feedback. Have the board review results of the feedback and discuss both successes and challenges. Board recommendations should be carried back to staff (via the executive director) for program evaluation and adaptation as needed.

- Familiarize yourself with various methods of evaluation to determine which approach is best for individual programs and projects. "One size does not fit all."

- Establish with staff that evaluation planning is an "up front" activity rather than a last-minute reaction. Solid goals and objectives lead to effective evaluation plans.

- Plan on at least 5% of a program's budget for evaluation costs. This is a commonly accepted range for funders, and includes the cost of staff time to develop and process evaluation tools, copying, postage and other associated costs. If you plan to hire an external evaluator, the cost jumps to 10% or more. Research in advance what method/approach is best for each program.

- Establish a process for periodic review of evaluation feedback. If you run frequent programs/projects, you may consider compiling results of like programs for a thumb-nail sketch to present to board members.

- Review evaluation feedback with staff following each program/project. Generate a list of "lessons learned" or "improvements for next time" and file it where it will be incorporated into planning upcoming projects rather than buried in a box in the storage room.

- Develop a mechanism for sharing evaluation feedback with key stakeholders. Consider devoting a section of your newsletter to "recent feedback", or including anecdotal and hard data in your annual report. You should be able to show your impact on the issue as effectively as you can demonstrate your passion for the cause.

- Evaluators should follow the national Guiding Principles for Evaluators set forth by the American Evaluation Association. www.eval.org/Guiding%20Principles.htm

Guiding Principle: Financial Management

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit has reviewed Staying Legal for Michigan Nonprofits www.stayinglegalmi.org to verify the existence of appropriate policies, procedures and reporting mechanisms, and demonstrates compliance with all legal financial obligations.					
2. Our board members clearly understand how to read and interpret financial statements.					
3. Annually, our board reviews and approves an appropriate annual budget for the organization. While each board must determine the appropriate budget needed to achieve its mission, various industry benchmarks provide target ranges of 65-80% of expenditures for programs, and 20-35% for administration, fundraising, and evaluation.					
4. Our nonprofit generates accurate and relevant financial reports which include the comparison of actual to budgeted revenue and expenses, and which identify and explain any significant variances. These reports are provided to the board of directors for regular review and discussion, on no less than a quarterly basis.					

5. Our nonprofit subjects its financial reports to an annual audit or independent CPA review. ***MI**
 	
    a.   A nonprofit with annual total revenue of $500,000 or more (not including government) must subject its financial reports to an annual audit by a Certified Public Accountant.
    b. A nonprofit with annual total revenue (not including government) over $100,000 and no more than $250,000 must have an independent review or audit of its finances.					

6. Financial audits are approved by the organization's board and certified by the executive director and CFO.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
7. The auditor meets with the organization's board separately from management staff, and the board audit committee approves the financial report.					
8. To the extent possible given the size of the organization, our nonprofit ensures separation of specific financial duties as a system of checks and balances.					
9. Our nonprofit board of directors has an audit committee that does not share members with, and works independently of, the finance committee.					
10. Our nonprofit CEO and CFO verify and certify the Form 990 or 990-PF before it is submitted to ensure that it is accurate, complete and filed on time.					
11. Our nonprofit must has a system in place that allows individuals to report financial misconduct, without consequence for doing so (commonly referred to as a "whistle-blower protection policy").					
12. Our nonprofit board strictly prohibits financial loans to members of the board or officers. *MI					
13. Our nonprofit board strictly prohibits financial loans to organization personnel.					
14. Our nonprofit plans for a balanced budget. In the event that a budget deficit occurs, the board is made aware of this expected outcome and participates fully in determining a plan to restore the budget to a balanced state.					
15. Our nonprofit has established and maintains a financial reserve which is equal to three to six months of operating expenses.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
16. Our nonprofit understands its legal and ethical obligation to expend funds responsibly and ensures that funds are dispensed according to the funders' wishes and requirements. ***MI, *US**					
17. Our nonprofit considers bequests, planned gifts and pledges when determining the annual budget and does not include these dollars in budgeting for program expenditures until the gift is actualized.					
18. When undertaking responsibility of fiscal sponsorship for another organization, our organization does so only with board approval and full knowledge of its legal obligations and liabilities.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Financial Management score	/54 = %				

*MI = Michigan Law *US = Federal Law

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Financial Management

♦ Monitor the cost of managing multiple funding sources and the overall ratio of the benefit vs. services delivered. A $10,000 program grant that costs you $7,500 to manage may not be worth the investment of staff time.

♦ While each board must determine the appropriate budget needed to achieve its mission, various industry benchmarks provide target ranges of 65-80% of expenditures for programs, and 20-35% for administration, fundraising and evaluation.

♦ Frame financial reports with relevant data points for comparison. A simple monthly statement of revenue and expenditures means nothing if not put in the context of year to date projections vs. actual activity. Explain variances in a relative context as well: a variance of $10,000 is worth consideration and deliberation if it equals 30% of your total budget but demands less attention if it represents 3% of a line item. Accuracy is important, but numbers are relative to their context.

♦ Ensure that your board members are trained to read and understand your financial statements. They are legally accountable for your organization's finances and it is your mutual responsibility to make sure they can fully meet their obligations.

♦ Before a crisis occurs, discuss contingency options for the event of a budget deficit. Investigate a line of credit, and determine which programs/services could be minimized or temporarily discontinued if cost-cutting measures are needed.

♦ In your annual fund development planning, develop a strategy to build a reserve fund to sustain your operations during low cash-flow months and to provide for program expansion and enhancements.

♦ Develop a policy and procedures regarding the acceptance and valuation of gifts of property to the organization.

♦ If appropriate, identify a legal expert with nonprofit experience to help you investigate and understand the difference between fiscal agency and fiscal sponsorship before engaging in such a relationship.

Guiding Principle: Fundraising

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit board and executive are familiar with the Association of Fundraising Professionals' Code of Ethical Principles and Standards of Professional Practice, and ensure that all fundraising professionals acting on behalf of the organization adhere to these principles and standards. www.afpnet.org					
2. Our nonprofit complies with all local, state, and federal laws and regulations concerning fundraising practices. *MI, *US					
3. Our board assumes overall responsibility for raising sufficient funds to meet the organization's budgeted objectives.					
4. Our organization has secured a charitable solicitation license through the Michigan Attorney General www.michigan.gov/ag. *MI					
5. Fundraising communications include clear, accurate, honest information about the organization (including charitable solicitation license number), its activities and the intended use of funds. *MI					
6. Our nonprofit uses funds according to donor intent and complies with specific conditions for donations. *MI, *US					
7. Our nonprofit works toward achieving a balance between publicly recognizing charitable contributions and maintaining donor confidentiality when needed. We do not share or trade donor names with others unless given permission by the donor.					
8. Our nonprofit regularly communicates with donors regarding its activities and makes information available through multiple outlets.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
9. Our nonprofit seeks only the funds it needs to reasonably work toward achieving its mission over the foreseeable future (including endowment and reserve funds that are established to advance the organization's mission).					
10. Our nonprofit has policies in place that govern the receipt, disposal, and management of charitable gifts and grants.					
11. Any professional fundraiser that works on behalf of our nonprofit is licensed with the office of the Michigan Attorney General, Charitable Trust Section. *MI					
12. Our nonprofit is familiar with the legal distinctions between staff, consultants, and contract employees, and ensures we have the ability to adequately manage and supervise fundraising activity conducted by contractual service providers.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Fundraising score	/36 =		%		

*MI = Michigan Law *US = Federal Law

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
    a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Fundraising

♦ Develop an annual Fund Development Plan that addresses all programs, projects and services.

♦ Be familiar with industry standards for ethical fund raising (see Association of Fund Raising Professionals, www.afpnet.org) and ensure that your employees, volunteers, and consultants are both aware of and compliant with these principles.

♦ Establish an active Fund Advancement Committee to develop key strategies and cultivate resources needed for the organization.

♦ Visit the Michigan Attorney General's Charitable Trust Section Web site www.michigan.gov/ag and review the rules and regulations for charitable solicitation and licensure of fundraising professionals.

♦ Assure that all board members are clear on expectations for their individual financial support as well as the board's role in supporting fund advancement strategies through personal solicitations and relationship building.

♦ Make sure that your strategic plan addresses a broad range of resources needed to accomplish each goal/task, including financial resources, facility needs, and staff skills and training.

♦ Ensure that facilities, equipment and technology needs are considered in developing new programs and services. Consider conducting a technology audit. Plan appropriately for staff expansion to ensure adequate space, furniture, phone lines, etc. are all available.

♦ When seeking new/expanded funding sources, include all related costs and research any limitations or exclusions (i.e., some funders limit expenditures for equipment or technology expenses).

♦ Stay abreast of funding trends through regular reading and ongoing training. Subscribe to The Chronicle of Philanthropy and online journals like Philanthropy News Network Online (www.pnnonline.org) or The Fundraising Well (www.blackbaud.com).

Guiding Principle: Governance

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. No more than one employee of the organization (typically the chief executive) serves as a voting member of the board and he/she does not serve as chair or treasurer of the board.					
2. Although Michigan law allows for fewer members, our board is comprised of at least five persons unrelated to each other or to staff to ensure appropriate deliberation, diversity of perspective and to minimize the opportunity for conflict of interest.					
3. Our board is comprised of individuals who represent the best interests of the organization.					
4. Our board has established a process for selecting new board members that will ensure adequate infusion of new ideas and community perspectives, while preserving institutional memory (e.g. term limits which may be applied to staggered classes of board volunteers).					
5. To demonstrate personal stake in the organization, our board members are expected to make personal financial contributions to the nonprofit as well as to raise funds from external sources.					
6. Board members (who are not employees) receive no monetary compensation.					
7. Board meetings are held at least on a quarterly basis and regular attendance is expected.					
8. At a minimum of every two years, the board reviews the organization's bylaws and mission statement and amends them as needed to reflect organizational growth and development.					
Annually, the board reviews and approves an annual budget for the organization. While each board must determine the appropriate budget needed to achieve its mission, various industry benchmarks provide target ranges of 65-80% of expenditures for programs, and 20-35% for administration, fundraising and evaluation.					

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
10. Annually, the board conducts a performance review of the chief executive. The chief executive's performance is assessed in light of organizational accomplishments, and the total compensation package (salary, raises, bonuses, and other benefits) reflects his/her performance as well as industry standards.					
11. The board has established an organizational transition plan to maintain daily operations during the time of a change in executive or board leadership.					
12. Nonprofit board members are responsible for making decisions in the interest of the organization and not in the interest of another entity, including themselves. *MI					
13. The board has established conflict of interest policies regarding board members, staff, volunteers, consultants, and other contractors, and the board adheres to these policies in all dealings. The policies include an obligation of each board member to disclose all material facts and relationships and refrain from voting on any matter when there is a conflict of interest.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Governance score	/39 = %				

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
    a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Governance

♦ Frame board orientations around the mission and lay out specific expectations of how board members will help achieve the mission; encourage board chair to frame all board discussions around the mission; consider a board retreat with a specific mission focus; provide each board member with a position description developed within the context of mission achievement.

♦ All board members should sign a Conflict of Interest statement, which should be updated on an annual basis to reflect any new affiliations and potential points of conflict. Once signed, the organization's leadership needs to adhere to the Conflict of Interest Policy, and understand the appropriate procedure to disclose a conflict.

♦ Review the organization's process for recruiting and screening potential board members. Develop a "script" of topics to cover during an initial meeting, including the ethics and values of the organization. Provide information on the organization's values and ethics in a written format (i.e. board manual).

♦ To avoid potential conflict and confusion, your organization should consider a variety of operating policies beyond the bylaws. In addition to personnel policies, consider formal policies for technology use, confidentiality, conflict of interest, and customer grievance procedures.

♦ Continually strive for diversity on your board to bring in fresh perspectives and alternative approaches to achieving your mission.

♦ Establish term limits for board members. Staggered terms should maintain at least a 50% incumbency rate to maintain continuity and organizational identity.

♦ Establish a transition plan to prepare for an immediate change in executive director: develop a process to select an interim executive and establish a strategy and timeline for posting the position, recruiting, screening, selecting and orienting the new executive.

♦ While each board must determine the appropriate budget needed to achieve its mission, various industry benchmarks provide target ranges of 65-80% of expenditures for programs, and 20-35% for administration, fundraising, and evaluation.

Guiding Principle: Human Resources

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit complies with all local, state, and federal employment laws in hiring and employing personnel. *MI, *US					
2. If the organization employs staff, the board annually reviews its overall compensation structure, using industry-based surveys of salaries and benefits. The board has established policies on employee benefits, which may include: ■ Medical insurance; ■ Retirement plans; ■ Sick leave, family leave, vacation, and other paid time off; and ■ Other benefits as may be appropriate.					
3. Our nonprofit has adopted a set of policies and procedures for personnel. All employees receive a copy of the policies and procedures and submit a signed acknowledgement of such.					
4. Our nonprofit employs skilled individuals who are suitable for the positions they occupy (paid or unpaid) and committed to the goals, values, and objectives of the organization.					
5. Our nonprofit has established and abides by a broad and encompassing equal opportunity employment policy. *US					
6. Our nonprofit strives toward employing personnel and volunteers who reflect the diversity of the community, as appropriate for program effectiveness.					
7. Our nonprofit supports the education and development of personnel and provides them with opportunities for growth and advancement.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
8. Our nonprofit provides all staff with clear, current job descriptions and the tools they need to produce quality work.					
9. Our nonprofit has a system in place for the succession of key employees, most notably for the executive director and key board leadership.					
10. Our nonprofit has established employee record retention policies and procedures that are consistent with applicable laws and best industry practices. *US					
11. Our organization considers best industry practices as well as our own unique circumstances when establishing policies and procedures.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Human Resources score	/33 =		%		

*MI = Michigan Law *US = Federal Law

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
    a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Human Resources

♦ When hiring staff, discuss the core values of the organization to ensure compatibility. You cannot dictate an employee's lifestyle, but you can outline expectations for representing the organization and interacting with clients, constituents, and partner organizations.

♦ Ensure that policies and procedures of human resource management (paid and volunteer staff) are within legal guidelines and address effective practices of risk management.

♦ When hiring an executive, encourage the selection committee to consider the potential for leadership and motivation in addition to management skill. A successful executive is well rounded, allowing him/her to advance the mission in myriad ways.

♦ The board should develop a strategy for annual evaluation of the executive. Determine the criteria for evaluation (progress toward mission achievement through what measures?); from whom feedback will be sought and in what format; and how the feedback will be compiled and presented.

♦ While the executive is responsible for staffing and managing the organization on a day-to-day basis, professional development of staff, retention and turnover as it relates to the organization's ability to achieve mission should be discussed and monitored by the board. Estimates for replacing staff range anywhere from 25% to 200% of the annual salary for the position; investing in staff development through tuition reimbursement programs, conferences and trainings, and professional journals/publications has a significantly lighter impact on "the bottom line" and a conversely positive impact on mission achievement.

♦ Format position descriptions and evaluations to reflect individual contributions toward mission achievement.

♦ Regularly evaluate the organization's capacity from a staff standpoint: are you able to advance upon your mission with the current structure? Do you need more staff? Less? Are all employees in positions that maximize their talents and abilities?

♦ Provide resources and opportunities for cross-training and professional development of staff. This will minimize the impact of staff turnover and create more well-rounded employees.

♦ Develop a formal recognition system to acknowledge and celebrate the work of both individuals and the collective team. Consider staff spotlights through newsletters or internal postings; make a "big deal" when a new benchmark is reached or a project/program enjoys a particular success. Take time to say "thanks" and "you make a difference here."

♦ Display the organization's mission prominently throughout the office - consider placing it in each office/work station; find creative ways to encourage staff to know the mission (i.e., conduct "pop quizzes" at staff meeting with small prizes for staff who can recite the mission); print the mission on the back of employee business cards; set screen savers with the mission statement; include the mission on company letterhead and all publications.

♦ Frame staff meetings around the mission; end each planning session with "and this will bring us closer to achieving our mission by…"; plan a staff retreat with a specific mission focus – ensure that each staff member understands their individual role as well as the role of others.

Guiding Principle: Information Technology

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit has information systems in place that provide timely, accurate, and relevant information.					
2. Our nonprofit has a written technology plan that is integrated into its short- and long-term strategic and operational plans.					
3. Our nonprofit has technology use and security policies that address staff use, and that prescribe how all organizational information is gathered and stored, how accuracy is maintained, how and what information is backed up, and to whom information is made available.					
4. Our nonprofit has designated responsibility for maintaining the organization's information systems to more than one staff member, volunteer, or board member *(one person should be primary and at least one should be back-up)*.					
5. All staff have received current training to use those systems that are relevant to their work.					
6. Our nonprofit maintains and is ready to implement a catastrophic recovery plan. The plan includes hardware and software inventory for insurance purposes. Off-site recovery includes back-up copies of key data and information, and allows for remote and/or alternative access in the event of an emergency.					
7. Our nonprofit invests in appropriate telecommunications equipment, up-to-date, compatible computer hardware and software, and Internet access to enhance its ability to achieve its mission.					
8. Our nonprofit has developed computer networking strategies that are appropriate to the size of the organization.					
9. Our nonprofit allocates sufficient resources to train our board, employees, and volunteers in the appropriate use of its technology systems.					

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
10. Our nonprofit monitors ongoing technological developments that have the potential to impact our information systems or mission.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Information and Technology score	/30 = %				

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Information Technology

♦ Consider conducting a technology assessment of your organization to determine what systems you need to effectively meet your mission. Contact Highway T for more information on technology assessments (www.highwayt.org).

♦ When budgeting for new or upgraded technology, make sure to consider the cost of updated training and the ongoing cost of maintaining the system (service contracts, software upgrades, etc.).

♦ Engage a core group of staff in cross training on your technology systems to make sure you can handle emergencies and provide ongoing service during times of transition.

♦ Develop written policies regarding technology use by staff and volunteers. They may not "like" the guidelines, but letting staff and volunteers know that "nothing conducted on office equipment is private" protects you and them.

♦ Research innovative ways to utilize technology to engage volunteers and deliver services. Consider the needs and preferences of your target audience for specific activities and make appropriate decisions. Ask key questions, such as: "Will our customers get frustrated if they are caught in an endless loop of voicemail and automated attendants? Do donors and volunteers prefer to access information online, outside of normal business hours?"

♦ Remember that you don't always need all the bells and whistles, but you DO need to stay current in your ability to meet your mission and serve your constituents.

Guiding Principle: Planning

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit has a clearly defined, written mission statement that guides the overall aims and activities of the organization. *MI					
2. Our mission is reviewed by the board periodically to consider societal and community changes.					
3. When planning activities, our nonprofit is responsive to community needs and solicits input from a variety of sources such as staff, board members, and other constituents.					
4. Our nonprofit consults with counterparts in our field to determine the need for service and the best use of community resources.					
5. Our nonprofit has created a written, operational/strategic plan for implementation of its activities: a. The plan reflects the results of an environmental scan that includes information on strengths and weaknesses/challenges facing the organization, as well as opportunities for and perceived threats to mission achievement. b. The plan includes clearly defined goals and objectives that are set by the organization to benefit constituents. c. The plan clearly defines specific activities and responsibility for their implementation. d. The plan serves as a useful management tool for measuring activities and outcomes and is tied to a solid budget. e. The plan provides a framework for regular progress reports and is reviewed and/or updated regularly.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
6. Our nonprofit has established a formal risk management plan, which is monitored by a dedicated committee of the board (e.g. audit committee or executive committee).					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Planning score	/18 = %				

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Planning

♦ Make the question, "why is our mission important?" a standard component of board, staff, and volunteer interviews and orientation; revisit the mission at meetings to discuss why it continues to be important and ask for personal reflections on why the organization's mission is relevant to the community; emphasize that "no one else will support us if we can't support ourselves."

♦ Include your mission statement on all written correspondence with board: at top of meeting minutes, on organization letterhead, and as the cover to the board binder/manual. Prominently display the mission at each board meeting (try printing it on the back of business cards and name placards, or making laminated cards that you can lay at each place on the table during board and committee meetings).

♦ Engage a staff member/consultant to research related programs, studies and common practices. If research is not available, consider applying for a grant that will support a research project, or partner with a local college/university to initiate relevant research.

♦ Assign staff (or engage a consultant or volunteer) to conduct an environmental scan by researching programs that focus on similar mission or emphasis areas. Identify possible competition, collaboration, and innovative practices that may strengthen your program. This is recommended as an annual, ongoing activity (and should be considered before implementing a major new program or strategy), but should be conducted every three years at a minimum.

♦ Regularly monitor census data and other statistics related to community needs to identify trends and provide documentation for funders.

♦ Allocate a portion of at least one meeting per year to discuss the needs and demographics of target population, and how the organization can continue to meet those needs within the context of its mission. This conversation should also be a part of all new board member orientations.

♦ Engage a consultant, or consider one of many quality resources for self-directed planning to establish a focused strategy for the organization which guides planning. All components of the plan should have direct relevance to mission achievement.

♦ Engage a sub-committee of the board to develop a plan for engaging target constituencies through involvement on the board, participation in programs, and formal evaluation and feedback processes. Avoid token representation and ensure meaningful participation. Discuss relationship development at regular board meetings.

♦ Board members should be cognizant of the impact of cultural differences and perspectives in relation to defining community need and delivering programs. A variety of perspectives should be considered before a decision is made that will impact programming and customer service. Employees and volunteers should be able to effectively relate to and work effectively within the target population. Cultural values and norms must be considered to ensure acceptance and utilization of services by constituents.

♦ Consider relation to mission before deciding to implement any new project or program. Discuss the cost-benefit ratio in relation to likelihood of advancing toward mission achievement. Prioritize the programs with a higher likelihood of mission impact and reduce or eliminate low-priority programs.

♦ Establish a plan to respond to a possible decrease in funding. Prioritize positions and functions, prioritize services, programs and projects and identify a list of potential new funding sources that may be pursued. Consider questions such as: "In the event of layoffs, which positions will be targeted? Can any projects be put on hold? Can any services be provided by another organization? Are there individuals, civic groups, foundations or corporations that may support us? Can we adapt any programs to a fee-for-service model?"

♦ Establish an organizational culture that says it's okay to say "no" to an "opportunity" if it does not have significant impact on the mission.

♦ Consider the capacity of staff before implementing a new project/program. Ensure that funding is available to adequately staff and support the activity: if new staff cannot be added, what projects or programs can be down-sized or eliminated to free-up other staff time?

♦ Consider sustainability beyond initial (perhaps grant-based) funding for a new program. What other funding, including earned income, might be available?

Guiding Principle: Public Policy and Advocacy

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit advocates publicly on behalf of its mission and organizational values.					
2. Our nonprofit advocates for the sector with regard to tax-exemption and nonprofit status.					
3. Our organization participates in public policy formation.					
4. Our nonprofit maintains a sound understanding of the current policy environment and the resulting consequences for the public.					
5. Our nonprofit has a written public policy and advocacy plan that defines how decisions are made, as well as the scope of activity, time, and resources to be allocated to advocacy and public policy work.					
6. Our nonprofit has developed specific strategies to address key issues facing the sector and should include their constituents in those efforts.					
7. Our nonprofit assists constituents in public and civic engagement by encouraging voting and other citizen participation in local, state, and federal policy-making efforts.					
8. When engaged in lobbying activities that are subject to state and federal reporting requirements, our nonprofit files accurate and timely reports with the IRS and Secretary of State. *MI, *US					
9. Our nonprofit ensures that the activities of the organization are nonpartisan. *US					
10. Our nonprofit board has considered both the 501(h) election and the "insubstantial part" rule related to financial expenditures for lobbying to determine which reporting mechanism is most appropriate for the organization.					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
11. Our nonprofit ensures that the information released to the general public, the media, and to policy makers is timely and accurate, and that the social and political context of the information is clear in order to avoid misunderstanding or manipulation of the message.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Public Policy and Advocacy score	/33 = %				

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk

♦ Subscribe to online policy alerts (like MNA's Action Alerts) to keep abreast of current policy trends, issues and action needed.

♦ Engage in regular conversation with colleagues regarding the legislative and social environment. Maintain your awareness of trends and activities impacting your constituents or your mission.

♦ Build discussion regarding advocacy and issues awareness into your meetings, at the board and staff level.

♦ Participate in a good training related to lobbying and advocacy. Make sure staff and board members understand the opportunities, responsibilities, and restrictions. Don't allow fear or misinformation to limit the work you do on behalf of your constituents and mission.

♦ Encourage your constituents to be advocates: encourage them to vote and to make their opinions known.

♦ Develop a "media specialist" on your staff. Correctly formatting and submitting media releases, op-eds (opinion editorials) and PSAs (public service announcements) is critical in getting attention – make this part of somebody's job. Spend some time developing a database of local media, get to know their focus areas and deadlines, and identify the "right" contact in each outlet.

♦ Establish yourself as a resource for media outlets: in addition to releases about your organization's events, help them with breaking stories by sharing relevant data and background information on a particular topic. Give them leads on other stories that may be newsworthy. Build relationships with reporters and editors by meeting periodically to discuss community issues and innovative strategies to address them: when they know you're interested in more than just promoting your organization, you will earn their respect and attention.

♦ Establish yourself as a resource for policy makers and community leaders by following the strategies outlined above. Relationships are built on time and trust.

Guiding Principle: Strategic Alliances

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit is open to strategic alliances as a means to help achieve goals, improve effectiveness, and efficiency and/or strengthen community connections with clients and others.					
2. When making decisions regarding alliances, our organization ensures that they are in line with the strategic goals of the organization and will impact the brand and image of the organization positively.					
3. Our nonprofit knows about and understands the services provided by other organizations in our community and/or service area.					
4. Our nonprofit promotes other organizations' services to enhance customer choice whenever possible.					
5. Our nonprofit cooperates and collaborates with agencies and other community organizations to ensure effective use of charitable resources and to advance our mission.					
6. As appropriate, our nonprofit fosters relationships with similar organizations and state, regional, and national associations to support advancement of our mission.					
7. On a regular basis, our nonprofit conducts an environmental scan to identify organizations providing similar services and to assess our relationship to those organizations.					
8. Our nonprofit ensures board approval with full knowledge of our legal obligations and liabilities when undertaking responsibility for fiscal sponsorship of another organization. *(Note: the IRS views fiscal agency differently from fiscal sponsorship: get legal advice before proceeding.)*					
9. Our nonprofit works to establish mutual understanding among government, nonprofit and for-profit sectors.					

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
10. As appropriate, our nonprofit assists smaller nonprofits through alliances and resource sharing.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Strategic Alliances score	/30 = %				

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Strategic Alliances

♦ Make it a habit to communicate regularly with current, past and potential funders. Add them to your mailing list for newsletters, annual reports and e-bulletins. Keep them apprised of significant happenings in your organization. Make it a point to network with key representatives at conferences and trainings.

♦ Communicate regularly with other organizations in your area. Share information and resources to establish your organization as one who is invested in improving the community rather than competing. Keep abreast of activities and events that impact your (and their) work. Consider participating in (or establishing) director's networking breakfasts or brown bag lunch conversation circles.

♦ Identify key contacts with local government units (city, state, county, various departments) and business leaders to keep them apprised of your efforts. Add contacts to your newsletter mailing list or email alert system. Schedule breakfast or lunch meetings that will help you build a relationship before there's an "issue" to address. Discuss mutual goals as well as opportunities for partnership and collaboration.

♦ Seriously consider collaborative ventures with natural partners for program implementation. Also consider the possibilities of formal alliances and/or mergers as appropriate. Effective use of resources through cost-sharing mechanisms will allow a greater level of financial support to direct services.

♦ Where formal partnerships exist, be thoughtful about the natural life of the relationship. Decide when and how relationships will be evaluated and/or terminated. Consider formal partnership agreements, particularly when sharing financial resources, that make provisions for both intellectual and real property when the relationship ends.

Guiding Principle: Transparency and Accountability

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit complies with all legal and other required reporting procedures regarding our performance. *MI, *US					
2. Our nonprofit uses our resources responsibly for the purpose of serving the public interest. Financial audits are approved by the organization's board and certified by the executive director and the CFO of the organization.					
3. Our nonprofit has established, achieves and regularly measures clearly defined levels of performance in our activities and we share those results with the public.					
4. Our nonprofit adheres to established, professional standards.					
5. Our constituents are provided with ongoing opportunities to interact with the board and management regarding the organization's activities.					
6. Our nonprofit produces an annual report that contains information regarding activities and performance. The annual report includes: ■ An explanation of the organization's mission, activities and results; ■ An explanation of how individuals can access programs/services; ■ Overall financial information, including income and expense statements, balance sheet and functional expense allocations; and ■ A list of board members, management staff, partners/supporters, and donors.					
7. Our nonprofit produces, on an annual basis, a financial report including income and expense statements, balance sheet, and functional expense allocations. These statements are made available to our members and/or directors as required. *MI					

*MI = Michigan Law *US = Federal Law

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
8. Our nonprofit holds public meetings to gather and distribute information about approaches, goals, and effectiveness in carrying out its mission.					
9. Our nonprofit openly communicates with other nonprofits to share and gather information on lessons learned and best practices.					
10. Information regarding our fees and services are readily available to the public.					
11. Our nonprofit has a system in place that allows individuals to report financial misconduct, without consequence for doing so (commonly referred to as a whistle-blower protection policy).					
12. Our nonprofit ensures confidentiality and non-discriminatory service to our constituents.					
13. Our nonprofit meets all federal requirements for public disclosure. (See *Principles & Practices for Nonprofit Excellence in Michigan Guide* for details.) ***US**					
14. Our nonprofit has a written, mandatory document retention and periodic destruction policy, which includes guidelines for handling electronic files and voicemail, back-up procedures, archiving of documents, and regular check-ups of the reliability of the system. ***US**					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Transparency & Accountability score	/42 = %				

*MI = Michigan Law *US = Federal Law

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Transparency and Accountability

♦ Review core values and principles of other organizations and discuss models that may reflect your organization's values; develop and adopt (through a retreat or sub-committee) values and principles and then integrate them into all conversations regarding policy and program. Answer key questions like, "what practices are ethically acceptable? Are there funding sources that are 'taboo' or would create negative perceptions about our work? How will staff be best utilized in achieving our goals/mission? Are volunteers an important part of how we want to deliver services?"

♦ Research and adopt "good practices" recognized within your field of service. Share these practices with other organizations to generate a professional standard.

♦ Review and consider "Codes of Ethics" for your industry. Allow your board to discuss formal adoption of a particular code, or the development of a hybrid code unique to your organization.

♦ Develop a marketing and community relations strategy that keeps key constituencies informed: governmental units, donors, for-profit and nonprofit organizations. Share annual reports, newsletters, and media releases with targeted individuals.

♦ Develop a communication strategy to keep in contact with community members and key groups/organizations. Invite them to focus groups or town-hall meetings to discuss community needs and gain input on your work. Establish a context of partnership and stewardship of community resources rather than servitude.

♦ Refer to Staying Legal for Michigan Nonprofits www.stayinglegalmi.org, which compiles information from both the Internal Revenue Service www.irs.gov/charities and Michigan Attorney General Charitable Trust Section www.michigan.gov/ag. When in this/these sites, review all required reporting and filings for nonprofits and ensure you are meeting your legal obligations to maintain your nonprofit status.

♦ A nonprofit must meet all federal requirements for public disclosure. These requirements state that a nonprofit must provide the last three years' information returns (Form 990 or its variants), as follows:

■ Public access must be provided immediately on request by allowing inspection of the documents at the organization's office or offices;

■ Copies of the documents must be provided within 30 days upon written request;

■ Organizations that make their materials widely available through publication on the Internet do not have to provide copies;

■ If the IRS determines that the organization is being subjected to a harassment campaign, copies do not have to be provided; and

■ 501(c)(3) organizations not classified as private foundations are not required to publicly disclose the list of names and addresses of individual contributors and may block out that section of Form 990 and other materials for public viewing.

Guiding Principle: Volunteer Engagement

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
1. Our nonprofit has developed a volunteer engagement plan that includes the following elements: a. Purpose statement – identifies what benefit our organization will receive from the effective use of volunteers (including board members). b. Organizational assessment – analyzes your organization's readiness for volunteers. c. Budget – does our organization have the financial resources to support a volunteer program? d. Roles and responsibilities – clearly defines roles, responsibilities and relationships between staff and volunteers.					
2. A written position description is created for every volunteer position within our organization.					
3. Volunteer recruitment activities are targeted and specific, clearly identifying the work to be done, the hours to be committed and the intended impacts of the volunteer activity.					
4. Our nonprofit has established screening procedures to ensure the safety of clients and minimize the potential liability to the organization.					
5. Volunteer assignments are made with careful consideration of the volunteer's skills, needs, and interests.					
6. Our nonprofit has constructed an intentional system for orientation and training of volunteers wherein the volunteers clearly understand the limits of their work, as well as the latitude they may have for decision making on behalf of the organization. a. We have a current manual of policies and procedures that is accessible for all volunteers, including attendance policies, confidentiality policies, grievance procedures, and other key information to minimize risk and maximize effectiveness. b. We have a system whereby volunteers are trained with the specific skills and knowledge needed to perform their volunteer roles. c. We have an ongoing orientation/communication plan to keep volunteers apprised of changes within the organization as well as enhanced opportunities for volunteer involvement.					

Recommended Practices	Yes or Always	Usually	Sometimes	Seldom	No or Never
7. The volunteer program is structured so that each volunteer has a direct connection to an identified supervisor, and understands who to communicate with in the event the supervisor is absent.					
8. Our nonprofit organization has a clearly articulated and documented grievance procedure whereby volunteers may address issues including (but not limited to) harassment and discrimination.					
9. Our nonprofit organization has clearly articulated and documented accountability and discipline procedures for volunteers that address lack of performance as well as policy violations.					
10. Our nonprofit organization has a thoughtful recognition system which provides individual and group recognition, and celebrates the impact of volunteers.					
11. Our nonprofit organization considers and promotes benefits to potential and current volunteers, and communicates those benefits to promote meaningful engagement.					
12. The performance of a volunteer is evaluated regularly (at least annually) with the supervisor through a formal process. **Note: the depth of performance evaluations should be appropriate to the role and scope of service the volunteer provides. One-time (or episodic) volunteers can be evaluated in much less detail.*					
13. The volunteer program as a whole is evaluated annually to assess cost and benefits of the program, to document impact on mission achievement, and to direct future volunteer initiatives.					
a. Column total					
b. Multiply by number of points	x3	x2	x1	x0	x-1
c. Column total					
d. Add all points in row c. for Volunteer Engagement score	/36 = %				

Processing our score:

1. How do I/we feel about the score?

2. Were there items that I/we felt were not applicable to our organization? Why? How did these items affect our overall score?

3. What priority should we place for action on this particular Principle?
   a. high   b. moderate   c. low

4. What questions remain to be answered before we can proceed?

Walking the Talk: Volunteer Engagement

♦ Design your volunteer management and support systems to meet the scope of your volunteer involvement. Strategies may be different for one-time, episodic or short-term volunteers than for long-term, ongoing volunteer projects.

♦ Contact your local Volunteer Center through the Volunteer Centers of Michigan www.mivolunteers.org. They can save you a lot of time and (potentially wasted) energy with their resources, systems and community relationships.

♦ Build collaborative relationships with other programs/organizations similar to yours; consider sharing recruitment, training, and recognition activities.

♦ Talk to staff and volunteers about how volunteers can expand programs, or take tasks off paid-staff workloads that would allow staff to maximize their expertise in other ways.

♦ When reporting volunteer impact to funders, the community at large and your internal constituents, make sure to factor in the established value of a volunteer hour. www.independentsector.org/programs/research/volunteer_time.html

♦ Listen to your volunteers. Ask them how the programs are going, how clients are feeling, what general community members are saying. Ask them how they're feeling about their work, if they feel valued, if they understand their role in achieving mission. They will be the first to let you know what works, and what doesn't.

It's time for you to create an action plan to address the growth areas identified by your assessment. We recommend you use the following worksheet as a guide, following this process:

1. Go back and review your response grids. Identify the Principle(s) in which you most need to strengthen your foundation, and then review suggested action items recommended in Walking the Talk.

2. Working with key employees and volunteers, identify which action items make the most sense for your organization, and identify additional strategies that might work in your environment. Determine which strategies are within the scope of your organization's and/or staff's abilities, and use those to formulate your Action Plan.

3. Make additional copies of the blank worksheet before you start writing.

4. In the left hand column, identify the Principle you want to work on strengthening.

5. In the second column, list the action item (or a specific goal) you want to pursue.

6. In the third column, list the specific steps to integrate that activity/goal into your organizational practices.

7. Identify a timeline for implementation, including start date and end date.

8. In the final column, identify who is responsible for monitoring and/or completing the identified tasks.
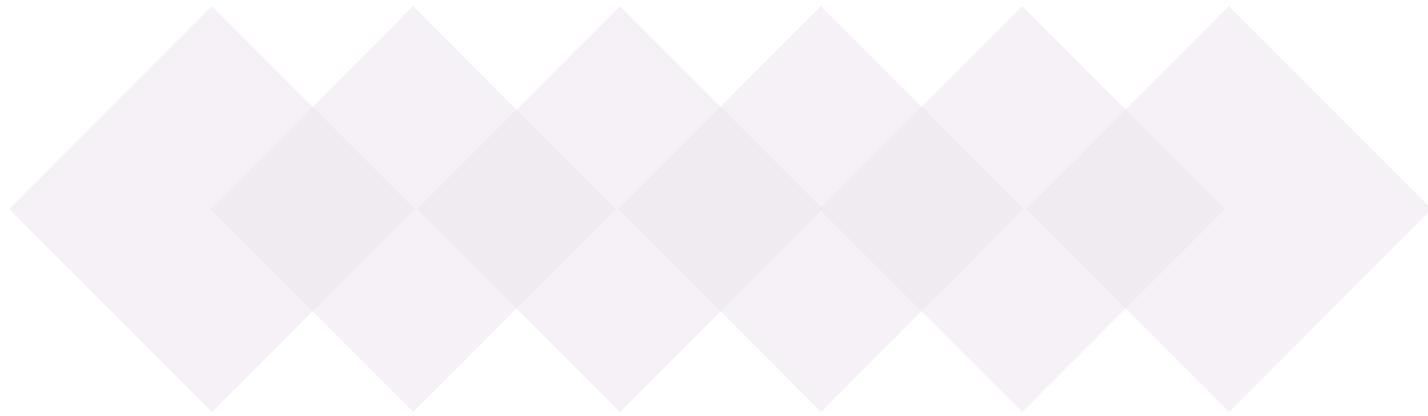
Make sure you identify who will be ultimately responsible for monitoring the progress of the entire plan. How will they communicate with other individuals to monitor specific tasks?

Principles & Practices for Nonprofit Excellence in Michigan:
Organizational Assessment and Planning Tool Action Plan

Your organization: Green is Good Environmental Action Council **Date:** Sept 26 2009

Principle	Action Item/Goal	Steps/Activities to Implement	Start Date	End Date	Person Responsible
					Janiece – Admin Frank – HR Marita – Exec.
Governance	Board members need to know the mission	1. Print new name placards for board meetings with mission on back. 2. Print mission on bottom of all board meeting agendas.	9/28	10/5	Janiece
Human Resources	Staff members need to know the mission	1. Post mission in all offices and cubicles. 2. Print mission on back of all new business cards. 3. Conduct "pop quiz" at staff meetings with fun prizes. 4. Program all screen savers to scroll the mission.	9/28 9/28 9/28 10/1	10/15 ongoing ongoing ongoing	Janiece Janiece Marita All staff
Human Resources	Staff members need to know how their job impacts the mission	1. Add a paragraph to all position descriptions describing how this position impacts mission. 2. Discuss mission impact during performance reviews.	10/1 10/1	10/31 ongoing	Frank Supervisors
Human Resources	Review staff salaries	1. Get copy of comp & benefits survey from MNA. 2. Get copy of salary survey from national umbrella organization. 3. Run a comparison of current salaries relative to two surveys. 4. Present comparison to board and determine if adjustments are needed. 5. Develop a timeline and benchmarks for any salary adjustments.	10/1 10/1 10/15 11/13 11/15	10/15 10/15 11/1 11/13 11/30	Janiece Janiece Frank Marita/Frank Frank

Principles & Practices for Nonprofit Excellence in Michigan:
Organizational Assessment and Planning Tool Action Plan

Your organization: _____   Date: _____

Principle	Action Item/Goal	Steps/Activities to Implement	Start Date	End Date	Person Responsible