



Characteristics and Elements of Highly Effective Nonprofit Organizations

Mission

- ↳ Mission statement is relevant
- ↳ Mission statement is easy to understand
- ↳ Mission is unique; organization does not duplicate what other organizations are doing and is meeting needs that would otherwise not be met by others

Programs

- ↳ Programs are effective in meeting the needs of the community
- ↳ Program impact can be measured
- ↳ Programs advance the mission of the organization
- ↳ Programs managed effectively and monitored
- ↳ Cost effectiveness of program delivery is quantitatively measured
- ↳ Services are delivered in a cost effective way when compared to competition

Long-range or strategic plan

- ↳ The organization has a long-range or strategic plan that has been created within the last 3 years
- ↳ The plan is updated every year
- ↳ The plan has strong, achievable goals
- ↳ The plan has measurable outcomes
- ↳ The plan has implementation steps
- ↳ The plan has a financial component – resources required and sources of funding identified
- ↳ Implementation of the plan's components have been clearly assigned to the CEO/Executive Director (who is responsible) or to committees of the Board of Director

Public awareness and communications

- ↳ The organization's name is known and respected in its sector, to funders and the public
- ↳ Relevant audiences understand what the organization does and can communicate it quickly and easily.
- ↳ The organization has written material that effectively communicates its mission, programs, etc.

- ↳ The organization has a functional website that effectively communicates its mission, programs, leadership, etc.
- ↳ The organization can be googled or found by search engines

Case for support

- ↳ The organization has a written case for support
- ↳ The case for support is between 1 and 5 pages long
- ↳ The case for support has been “translated” into other media that are appropriate for the organization – website, template grant proposal, brochure, video, etc.

The case for support includes the following:

- ↳ Mission statement
- ↳ Relevant but not too detailed background information
- ↳ Overview of strengths and impact on the community
- ↳ Statement of the current situation
- ↳ Description of needs
- ↳ Summary of financial information
- ↳ Request for support

Organizational track record and organizational stability

- ↳ History of accomplishing financial and programmatic goals
- ↳ Daily work is driven by organization’s prioritized goals, not by crisis or perpetual urgency
- ↳ Good and appropriate working relationship between Board of Directors and staff
- ↳ Staff is evaluated and compensation reviewed annually
- ↳ Facilities and infrastructure are adequate to support the work being done

Fundraising track record

- ↳ Meet fundraising goals every year
- ↳ Diversified fundraising program – sources, activities; not overly dependent on small number of sources
- ↳ Major donor program in place
- ↳ Appropriate involvement in fundraising by the CEO/ED
- ↳ The Board plays a strong and effective role in fundraising
- ↳ Development staff adequate to complete the work that must be done
- ↳ Strong process for acknowledging donors
- ↳ A significant number of donors support this organization as one of their top three charities.
- ↳ Cost of fundraising does not exceed 10% of budget

Human, financial and organizational resources

- ↳ Effective, stable management team
- ↳ CEO / ED position stable for 5+ years
- ↳ Adequate numbers of staff to accomplish work – neither overstaffed nor understaffed
- ↳ Staff is compensated within competitive range
- ↳ Cash reserve equal to 3-6 months operations
- ↳ 50% of budget covered by known sources at beginning of fiscal year
- ↳ Organization is equipped with up-to-date computer system
- ↳ Staff is trained and competent in their use of technology
- ↳ Staff can obtain information quickly and reliably
- ↳ Attractive and functional website
- ↳ Functioning, up-to-date database, regularly updated by designated staff member
- ↳ Good access to information, data, resources

Board leadership

- ↳ The Board’s work focuses on the 5 essential responsibilities of a nonprofit Board: strategic direction; policy development and evaluation; CEO oversight and evaluation; financial stewardship and oversight; and developing financial resources
- ↳ The Board of Directors is profiled – comprised of individuals with diverse skills, expertise, relationships relevant to the mission and needs of the organization
- ↳ The Board is divided into classes that rotate according to a schedule prescribed in the by-laws
- ↳ The Board has a leadership succession plan
- ↳ Board members are expected to attend at least 80% of board meetings
- ↳ The Board works through committees
- ↳ Committees are organized to advance the strategic plan
- ↳ The Board plays a strong and effective role in fundraising, and views itself as responsible for the financial well-being of the organization
- ↳ The Board evaluates its own performance at least once each year
- ↳ The Board evaluates the CEO/Executive Director once each year – for performance and compensation
- ↳ Every member of the Board contributes financially to the organization each year – and makes support of the organization a priority
- ↳ The Board allows the CEO/ED to manage the day to day operations of the organization but provides expertise and assistance when it is requested
- ↳ The cultivation of new prospective board members is ongoing, but new “classes” are installed just once each year
- ↳ Minutes are recorded at every meeting, are reviewed and approved by the Board, and are maintained so that they can be accessed at any time