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