Best Practices
for Executive Directors and Boards
of Nonprofit Organizations

The following document on best practices was developed from a highly-successful training program called MATRIX* that was conducted in 1999 and 2000 for 12 youth-serving agencies in Whatcom County. Funding for the program was provided by the Stuart Foundation and administered through Whatcom Community Foundation.

In an effort to extend the reach and effectiveness of the MATRIX program, the Whatcom Council for Nonprofits has adopted this enhanced version of the MATRIX best practices as the foundation of our technical assistance program planning. WCN encourages Whatcom County nonprofits to use this document as a tool in strategic planning and evaluation of their organizations.

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These best practices identify nine areas in which an organization's competence is critical for success. Below, each competence is linked to suggestions for getting your organization to the "best practice" level. There is inevitably overlap between some of these competency areas as no single area is unique or isolated from others. In order to achieve competence in one area, other competencies are often required as well. The bibliography at the end of this document lists some excellent resources your organization can use to achieve the best practices. Additional nonprofit best practices resources are available at the Bellingham Public Library.

Core Competencies

I.   Board of Directors/Governance

II.   Human Resources Management

III.   Financial Management

IV.   Strategic Planning

V.   Collaboratives/Partnerships

VI.   Outcomes and Quality Improvement

VII.   Information Technology Management

VIII.   Fundraising

IX.   Marketing

I. Board of Directors/Governance

A. The Board determines the organization's mission, sets policy, and assesses and approves programs and services that are appropriate to that mission.

Best Practices	Suggestions for Achieving Best Practices
1. Board annually reviews the organization's mission.	1.1 The Executive Director, Board and other leadership define, focus on, and annually review the organization's mission and purpose.
2. Board sets and monitors policies and attends to emerging policy issues.	2.1 The Board sets and reviews organizational policies to ensure specific outcomes and organizational safeguards are achieved.
3. Board reviews reports on programs and services that demonstrate links to organization purpose and tracks progress toward desired outcomes.	3.1 The Executive Director, Board and other leadership regularly review programs and services to ensure that they are tied to specific outcomes.

I. Board of Directors/Governance /cont'd

B. Board membership is well managed.

Best Practices	Suggestions for Achieving Best Practices
1. Staff support the Board and its committees in order to maintain interest, commitment, and productivity of members.	1.1 Executive Director and Board leadership find ways to sustain maximum Board attendance, through development of compelling agendas and presentations, recognition and appreciation of service, and incentives to participation. 1.2 Executive Director and Board leadership develop a well-defined structure of effective Board committees and outside advisory committees which have a clear purpose and task. 1.3 Executive Director ensures that there is consistent staff support for Board committees and other activities.
2. Board members receive orientation regarding Board member responsibilities, legal requirements, and conflict of interest.	2.1 Executive Director and Board leadership understand legal requirements and restrictions and communicate those effectively to the whole Board. 2.2 Board leadership develops and when necessary implements procedures for removal of non-compliant Board members.
3. Board members receive orientation and continuing education	3.1 Board leadership and Executive Director ensure that there are regular orientations and ongoing training opportunities for Board members, in areas such as team building, communication skills, fundraising, meeting management, public relations, marketing, and leadership and succession development.

C. The Board ensures that the organization is in compliance with regulations affecting nonprofit organizations and has sound risk-management practices.

Best Practices	Suggestions for Achieving Best Practices
1. Executive Director provides the Board with information and consultation regarding risk management practices that apply to the organization.	1.1 Board leadership defines and applies the various bylaws and regulations (funding, program, health, audit, personnel and facility) that affect the organization's risks. 1.2 Executive Director and Board leadership identify appropriate types of liability and other insurance and benefit plans to meet the organizations needs, including facility management, professional services, personnel, health care, Employee Assistance Programs and D&O coverage.

I. Board of Directors/Governance /cont'd

D. The Board holds itself accountable for raising money.

Best Practices	Suggestions for Achieving Best Practices
1. Board members are responsible for raising money and there are structures and support through which members may fulfill that responsibility.	1.1 Board leadership and Executive Director orient all new and current Board members to their role in fund development. 1.2 Board leadership develops a strategy for increasing Board involvement in fund development.

E. The Board ensures effective fiscal management.

Best Practices	Suggestions for Achieving Best Practices
1. Board reviews financial reports that are accurate, easy to understand, and timely.	1.1 Executive Director ensures effective staff support to the finance committee, including the provision of reports that meet the committee's needs for financial information. 1.2 Board leadership defines Board roles in fiscal management and oversight, and identifies which Board members have the skills to provide that oversight.
2. Employees and volunteers are able to make a confidential report regarding suspected financial impropriety or misuse of organization resources.	2.1 Board leadership ensures that there is a procedure for confidential reporting of suspected improprieties.

F. The Board represents the organization in the community.

Best Practices	Suggestions for Achieving Best Practices
1. Board members actively solicit input from the communities and constituencies they represent.	1.1 Executive Director and Board leadership develop processes for soliciting input from constituencies served and represented by the organization. (See also Strategic Planning)
2. Board members represent the organization to government, business, other agencies, funders, constituencies, and the community at large.	2.1 Executive Director ensures there are mechanisms for involving the Board in community outreach, in such areas as civic, political, governmental and community activities relevant to the needs of the organization.

I. Board of Directors/Governance /cont'd

G. The Board represents the interests of the community to be served and brings the proper balance of expertise to the organization.

Best Practices	Suggestions for Achieving Best Practices
1. Board membership provides the skills required by the organization and reflects the community served.	1.1 Board leadership, such as a nominating committee, defines the criteria for strategically selecting Board members, based on experience, organizational needs and community representation. 1.2 Board leadership develops a process and timeline for Board recruitment based on the above criteria and needs.

H. The Board ensures that the public has reasonable access to information about mission, activities, Board membership and basic financial data.

Best Practices by Organizational Leadership	Suggestions for Achieving Best Practices
1. An annual report to inform the public is produced.	1.1 Executive Director and staff leadership prepare elements necessary for an annual report. 1.2 Executive Director and staff leadership communicate key organization information in writing in a way that is understandable to the public.
2. Orderly records are accessible to the public.	2.1 Executive Director organizes all appropriate documents in a file accessible for public review.

I. The Board recruits, hires, sets salary, and evaluates the performance of the Executive Director and oversees succession of that position and other key staff.

Best Practices	Suggestions for Achieving Best Practices
1. Board performs annual review of Executive Director performance and sets goals for coming year.	1.1 Board leadership ensures that effective Executive Director evaluation process is in place and implemented.
2. A written policy is maintained regarding Board oversight of the ED and succession of key staff.	2.1 Board leadership identifies steps for succession appropriate to organization and writes a policy for Board approval.
3. The Board designs and implements process for hiring new ED when necessary.	

I. Board of Directors/Governance /cont'd

J. The Board maintains a good relationship with organization staff.

Best Practices	Suggestions for Achieving Best Practices
1. Board understands and maintains the policy-making role of the Board.	1.1 Executive Director and Board leadership identify strategies for helping Board members understand appropriate roles with respect to organization management, staff and operations, including possible conflicts of interest.
2. Board and staff communicate about organization and program issues.	2.1 Executive Director and Board leadership use effective coaching and communication strategies for building and sustaining positive Board/staff relationships.

II. Human Resources Management

A. The organization treats employees, volunteers and clients fairly and equitably.

Best Practices	Suggestions for Achieving Best Practices
1. Personnel policies and procedures are in compliance with state and federal laws, are reviewed regularly, and continue to meet the needs of the organization.	1.1 Executive Director and Board leadership review current personnel policies and make changes as needed to improve compliance with state and federal requirements and to keep current with organizational needs.
2. A performance review process measures employee performance against organization outcomes and professional standards, incorporates self evaluation, promotes positive interaction between employee and supervisor, sets measurable goals that are tied to organization outcomes, and supports the employee's development	2.1 Executive Director and Board leadership understand the benefits of a sound performance review process and its effect on the organization. 2.2 Executive Director and management staff apply the elements of an effective performance review process, including standards of performance, self-evaluation, positive interaction between the employee and supervisor, measurable individual goals that are tied to the organization's outcomes, and employee development. 2.3 Executive Director, management staff and Board leadership tailor an effective performance review instrument to meet the organization's needs. 2.4 All organization supervisors conduct performance reviews in a way that ensures employee understanding, gains employee acceptance, and promotes a desire to improve and develop.
3. Employee information and records are kept confidential.	3.1 Executive Director informs all staff regarding employee confidentiality rights. 3.2 Executive Director develops a policy regarding access to employee records.

II. Human Resources Management /cont'd

B. The recruitment and hiring process brings to the organization people who have the skills needed to do the job and who will be compatible with the organization work environment.

Best Practices	Suggestions for Achieving Best Practices
1. Programs have accurate and clearly written job descriptions that are tied to program outcomes.	1.1 Supervisors draft or update job descriptions that clearly describe the work to be performed and show a link to program outcomes.
2. A recruitment process is in place that attracts people with the appropriate type and level of experience to perform the work.	2.1 Management staff analyze the market for a particular position and design a recruitment and selection process that will attract people who are most likely to be suited for the work and for this agency.

C. The organization makes the most effective, efficient and productive use of human sources through appropriate job assignments.

Best Practices	Suggestions for Achieving Best Practices
1. Assignments are appropriate to organization and program priorities and the level of expertise, availability, and work style of the individual.	1.1 Executive Director and management staff conduct an analysis of current staffing and assignments, and identify ways to improve productivity taking into consideration potential benefits and drawbacks of making changes.
2. There is appropriate cross-training of staff to increase motivation and productivity.	2.1 Management staff identify where cross-training would be useful and makes it available to staff as possible.

D. Employees understand and promote the organization's mission and strive to contribute to its outcomes.

Best Practices	Suggestions for Achieving Best Practices
1. Employees are aware of the organization's mission and outcomes and understand the link between their work and the accomplishment of those outcomes.	1.1 Executive Director and Board leadership articulate organization's mission in a way that is motivating to staff and communicate the link between work objectives and the mission.

II. Human Resources Management /cont'd

E. Employees and volunteers receive the information, training and feedback they need for optimal job performance.

Best Practices	Suggestions for Achieving Best Practices
1. Employees receive orientation to the organization's mission, outcomes, and strategic plan.	1.1 Executive Director and management staff design and implement an orientation presentation that introduces new employees to the organization's mission, values, outcomes, and strategic plan.
2. Training needs of employees and volunteers are identified, as are ways to make that training available.	2.1 Executive Director and management staff design and implement a method for identifying training needs of supervisors, employees and volunteers from various sources of information about their knowledge or job performance. 2.2 Executive Director and management staff analyze a variety of methods of delivering training to employees and volunteers and select the method appropriate to the specific people, situation, and topic.
3. Supervisors understand their supervisory role and have the necessary skills to manage other employees.	3.1 Executive Director and management staff ensure that all supervisors receive ongoing supervisory training so they have the necessary tools to manage other employees.
4. Employees and volunteers receive individualized coaching regarding his/her job duties.	4.1 All supervisors recognize own communication style and how that style impacts and interacts with the communication styles of others. 4.2 All supervisors apply coaching skills appropriately to match the individual needs of each person whose work s/he supervises. 4.3 All supervisors use communication skills necessary for effective coaching: active listening, questioning, assertive communication and goal setting.

II. Human Resources Management /cont'd

F. The organization supports healthy, productive relationships among all employees, volunteers and Board members.

Best Practices	Suggestions for Achieving Best Practices
1. A conflict resolution policy and system for resolving conflicts among employees, volunteers and Board members is in place.	1.1 Executive Director and Board leadership analyze and improve policies and procedures for handling grievances and conflicts among employees, volunteers, and Board members.
2. Supervisors receive training regarding the mediation of conflicts among employees and volunteers who report to them.	2.1 Everyone develop understanding of perceptions of and reactions to conflict and the impact of unresolved conflict on an organization's productivity. Everyone understand their own personal role and responsibility to resolve conflicts in as productive and professional a manner as possible. 2.2 All supervisors learn to diagnose workplace conflicts early and determine whether to intervene and the type of intervention appropriate to the problem: individual meeting, mediation, small group problem solving, or systems analysis. 2.3 All employees and Board members use communication and problem solving skills necessary for conflict resolution: neutrality, active listening, assertiveness, analysis of factors leading to conflict, negotiation of solutions. 2.4 All supervisors apply steps of conflict resolution policy when necessary.

G. Effective communication systems and practices are used throughout the organization.

Best Practices	Suggestions for Achieving Best Practices
1. There is a system for communicating organization information to employees and volunteers.	1.1 Executive Director and management staff analyze and improve current communication system for conveying to employees and volunteers information about changes in policies, procedures, requirements, and job duties that affect their work.

II. Human Resources Management /cont'd

H. Employee job satisfaction is high and employee turnover is relatively low.

Best Practices	Suggestions for Achieving Best Practices
1. Employee turnover rate in comparison to similar agencies is monitored.	1.1 Executive Director or HR staff calculate employee turnover rate and compare with similar agencies.
2. Exit interviews are conducted to assess trends in reasons for leaving.	2.1 Executive Director or HR staff design exit interview procedures
3. There is a high level of employee satisfaction and retention.	3.1 Executive Director or HR staff work to determine areas for improvement in personnel policies, compensation strategies and employee satisfaction to achieve optimal employee retention rates.

III. Financial Management

A. The organization generates sufficient revenue to support organization's administration and program services

Best Practices	Suggestions for Achieving Best Practices
1. Direct and indirect costs are monitored, including allocation of staff time to program, administration, evaluation, and fundraising activities	1.1 Executive Director and management staff analyze current and potential costs for program, administration, evaluation, and fund raising. 1.2 Executive Director and management staff analyze current and potential sources of revenue and prepares or oversees preparation of a fund development plan.
2. A system exists for tracking revenue and expense streams to comply with government reporting requirements, funder's expectations and to effectively manage organization's finances.	2.1 Responsible financial management staff understands requirements and potential for any fee for service or sales activities. 2.2 Responsible financial management staff implements any billing methods appropriate for the organization.
3. The organization engages in cost effective fund development activities.	3.1 Responsible fundraising staff conducts cost/ benefits analysis of any fund raising events or campaigns.

III. Financial Management/ cont'd

B. Annual budget is tied to outcomes, is in alignment with available resources, includes staff input, and supports programs, administration, evaluation, and fundraising.

Best Practices	Suggestions for Achieving Best Practices
1. The Board approves, monitors and revises as necessary an annual budget that is tied to program outcomes and supports operations and evaluation.	1.1 Executive Director and responsible financial management staff ensure financial management systems which includes: selecting and monitoring financial tracking systems, tracking key costs of operation, reviewing and revising the chart of accounts, and effectively managing payroll. 1.2 Executive Director and responsible financial management staff monitor internal reporting information which includes: structuring appropriate financial reports, controlling the frequency of financial reporting, and selecting the appropriate accounting method. 1.3 Executive Director and responsible financial management staff understand the optimal budgeting process including incorporating effective budget management techniques into day-to-day operations, analyzing determinants of costs and allocations, getting staff input into the budgeting process, and tie outcomes to specific budget categories.
2. Board approves budgets that contain realistic projections of revenue and expenses.	2.1 Executive Director and responsible financial management staff involve staff in the budget development process as well as in the monitoring process so that they have a clear understanding of the connections between the budget and their program areas.
3. A method is established for budget planning and monitoring at the program level.	

C. The organization files all the appropriate legal and financial documents as required by law.

Best Practices	Suggestions for Achieving Best Practices
1. A system exists that ensures the filing of all legal and financial documents, and updating as required	1.1 Executive Director and Board leadership understand and comply with government regulations related to type of documents to be filed and timelines for filing. 1.2 Executive Director and Board leadership understand underlying conditions for a review or an audit and the necessity for timely audits and positive findings to ensure availability of future funding streams.

III. Financial Management /cont'd

D. All financial data are kept up to date and use generally accepted accounting principles.

Best Practices	Suggestions for Achieving Best Practices
1. Organization obtains periodic independent reviews of financial record-keeping methods.	1.1 Executive Director and Board leadership ensure that appropriate outside review or audit is conducted and approve such document when completed. 1.2 Executive Director and Board leadership understands organization's application of generally-accepted accounting principles. 1.3 Financial management staff implements any recommended improvements to financial record-keeping based on independent review or audit. 1.4 Board leadership keeps written documentation in Board meeting minutes of approval of financial statements on a regular basis (monthly or quarterly as appropriate) and of annual audit or review.
2. Board regularly approves financial statements	

E. The organization has an adequate system of internal controls which is reviewed annually.

Best Practices by Organizational Leadership	Suggestions for Achieving Best Practices
1. Written financial policies exist that govern: investment of assets, internal control procedures, purchasing practices, reserve funds, compensation, expense account reporting, and earned income.	1.1 Executive Director, Board treasurer and financial management staff review and upgrade financial policies on a regular basis.
2. Internal financial management processes are monitored, including handling of checks, petty cash, cash disbursements, payroll management, etc. to prevent errors and/or misuse of funds.	2.1 Executive Director and financial management staff understand various financial monitoring processes and apply appropriate process to day-to-day financial management. 2.2 Executive Director and financial management staff understand and establish appropriate financial checks and balances into the daily financial management systems.
3. The use of restricted funds are monitored.	3.1 Executive Director and financial management staff avoid co-mingling of funds and keep appropriate financial records documenting use of restricted funds.

F. All managers are provided periodic reports on planned and actual expenditures to-date for each significant category of costs in their area of responsibility.

Best Practices by Organizational Leadership	Suggestions for Achieving Best Practices
1. Budget to actual reports are made available to appropriate staff in a timely manner.	1.1 Executive Director and financial management staff understand the rationale for providing such reports to program managers. 1.2 Executive Director, financial management staff and program Directors understand the value of making monthly or quarterly adjustment to budget and overall financial plan.

G. The organization adheres to the Board-approved budget.

Best Practices	Suggestions for Achieving Best Practices
1. Budget variance reports are reviewed by staff and Board on a regular basis.	1.1 Executive Director and financial management staff prepare financial reports with budget variance information for review by the Board on a regular basis.
2. Program managers are provided with financial information and guidance to make management decisions and use financial information to make decisions at the program level.	2.1. Organizational leadership uses financial statements to make critical management decisions pertaining to organizational efficiency, adequacy of financial resources, need to implement budget revisions and organization financial trends.

H. There is a diversified funding base.

Best Practices	Suggestions for Achieving Best Practices
1. There is a fund development plan that ensures a diversified funding base.	1.1 Executive Director and fundraising staff analyze current and potential sources of revenue. 1.2 Executive Director and fundraising staff apply the elements of a Board-approved fund development plan that brings revenue from diverse sources. (see also Fundraising and Strategic Planning)

IV. Strategic Planning

A. Strategic plan is guided by organization mission.

Best Practices	Suggestions for Achieving Best Practices
1. Board and staff members understand the organization's mission.	1.1 Executive Director and Board leadership review mission statement on annual basis with Board and staff.(See Board of Directors/Governance)

B. Strategic plan is based on sound planning principles.

Best Practices	Suggestions for Achieving Best Practices
1. The Executive Director and Board determine readiness for strategic planning process	1.1 Executive Director and Board leadership define strategic planning, identify its value to the organization and communicate this to the entire organization. 1.2 Executive Director and Board leadership assess organizational readiness for strategic planning. 1.3 Executive Director and Board leadership identify and develop the basic steps and process involved in designing an effective strategic plan, including: reviewing and articulating the mission; assessing the organization and its environment; developing strategies, goals and objectives; and designing operation, program, fund raising, and marketing plans.

IV. Strategic Planning / cont'd

C. Plan makes the best use of human, financial, and material resources.

Best Practices	Suggestions for Achieving Best Practices
1. Resources required for strategic planning are identified and managed appropriately	1.1 Executive Director and Board leadership determine how much time and money can reasonably be allocated to the planning process. 1.2 Organizational leadership define roles and expectations for all participants, including Board, management, staff, volunteers, and other stakeholders and identifies a strategic planning leadership team representative of stakeholders throughout the organization. 1.3 Executive Director and Board leadership identify need for and roles of any external consultants and ways to manage those consultants to maximize their effectiveness and minimize costs.
2. Planning includes information regarding client and community needs and organization capacity.	2.1 All participants analyze opportunities and strengths in terms of current organization capacity. 2.2 All stakeholders assess and prioritize opportunities in terms of community needs.

D. Plan takes into account organization strengths, weaknesses, opportunities and challenges.

Best Practices	Suggestions for Achieving Best Practices
1. Development of plan includes organization strengths, weaknesses, opportunities and challenges on a continuous basis and incorporates those observations into the strategic plan.	1.1 Strategic planning leadership team works to conduct an analysis of strengths, weaknesses, opportunities and challenges that involves internal and external stakeholders and includes a cost-benefit analysis of both tangible and intangible costs and benefits. 1.2 Strategic planning leadership team conducts a comprehensive competitive analysis.

E. All stakeholders are included in the planning process.

Best Practices	Suggestions for Achieving Best Practices
1. Planning leadership team communicates openly and effectively about strategic planning process and progress to build trust and confidence and full participation in the planning process.	1.1 Strategic planning leadership team identifies roles for all internal and external stakeholders to monitor the plan's implementation and effectiveness. 1.2 Strategic planning leadership team identifies effective group processes and other activities (focus groups, workshops, retreats, etc.) needed for information gathering and for soliciting input from all stakeholders

IV. Strategic Planning / cont'd

F. Organization activities are tied to strategic plan, with a minimum of distractions by crises.

Best Practices by Organizational Leadership	Suggestions for Achieving Best Practices
1. Implementation of the plan is regularly monitored.	1.1 Use the results of the analysis and assessment processes to develop action plans in each strategic area: operating, programs, fundraising, and marketing. 1.2 Develop objectives for each action plan. 1.3 Develop an implementation schedule based on objectives stated in each action plan.

G. Organization uses its own outcome data as well as demographics, statistics on relevant community issues, and information on best practices to plan improvements to services.

Best Practices	Suggestions for Achieving Best Practices
1. Board understands the work that has already been done by staff to respond to evaluation findings and improve products and services.	1.1-3.1 Strategic planning leadership team designs a presentation that documents the work that has already been done and includes visual displays of community statistics, findings from the evaluation report, and information from the field.
2. Local demographic and statistical information is factored into planning efforts.	
3. The Board reviews information from the field against which to compare organization's performance.	

H. The plan includes expected shorter-term and longer-term outcomes.

Best Practices	Suggestions for Achieving Best Practices
1. A matrix is prepared by program or management function that identifies outcomes and connects them to the activities or strategies that the organization will use to reach these outcomes.	1.1 Strategic planning leadership team develops a report including summary of planning process, internal and external assessments, prioritization of needs and development of an overall organizational matrix of measurable outcomes and presents that plan for approval to the Board

IV. Strategic Planning / cont'd

I. Plan is updated annually.

Best Practices	Suggestions for Achieving Best Practices
1. The strategic plan is reviewed on an annual basis.	1.1 All stakeholders participate in continuous monitoring of the strategic plan and make adjustments as necessary.

V. Collaboratives/Partnerships

A. Develop and manage joint projects effectively.

Best Practices	Suggestions for Achieving Best Practices
1. Opportunities for collaboration are analyzed in terms of potential benefits, challenges and drawbacks to own organization.	1.1 Executive Director and appropriate management staff define all aspects of what is being exchanged in a partnership: information, fiscal responsibility or money, physical assets (facilities), program (materials, services), personnel.
2. The type and level of commitment required by own organization is identified.	2.1 Executive Director and appropriate management staff develop an agreement that clearly describes the responsibilities of each organization involved. 2.2 Management staff develop job descriptions for any staff assigned to a jointly-managed project.
3. The effectiveness of collaborative strategies and programs are assessed in terms of both process and outcomes.	3.1 Executive Director and management staff agree with partners to a time frame for evaluation of collaborations outcomes. (Also, see Outcomes and Quality Improvement)

B. Communicate the partnership's goals and activities to professionals and the community.

Best Practices	Suggestions for Achieving Best Practices
1. Information is presented verbally and in writing in concise, jargon-free language.	1.1 Leadership of all involved organizations develop responses to questions that have been asked by community members regarding the goals of a partnership.

C. Share resources across agencies.

Best Practices	Suggestions for Achieving Best Practices
1. Existing community resources are identified that can be used to address an issue that is beyond any individual organization's capability.	1.1 Organizational leadership identifies potential resources that might be shared and rationale for partnership.
2. Restrictions on individual organization resources and the conditions under which resources would be shared are identified.	2.1 Leadership identifies own organization's resources that might be applied to this need and internally define the conditions under which that resource would or would not be shared.

D. Build consensus among constituencies and resolve conflicts that impede improvements to services.

Best Practices	Suggestions for Achieving Best Practices
1. There exists an understanding of how existing systems currently address a specific problem or issue and examine potential ways to develop alternatives.	1.1- 2.1 Organizational leadership develops clear understanding of and ability to articulate how the current system works.
2. The knowledge gained through involvement of constituencies in planning for own organization is applied to broader community issues.	
3. Stakeholders and advocates among other agencies and government leadership are identified for the involvement.	3.1 Organizational leadership identifies a broad range of stakeholders for a specific community issue.
4. There is a general consensus internally among staff and externally with other agencies and community members.	4.1 Organizational leadership identifies how conflict may have impeded services, identify the causes of those conflicts and examines ways to resolve conflicts. 4.2 Organizational leadership identifies points of agreement among a group of individuals or agencies with diverse and opposing points of view.

V. Collaboratives/Partnerships /cont'd

E. Maintain effective relationships across agencies.

Best Practices	Suggestions for Achieving Best Practices
1. There is an accurate understanding of the functions and services of agencies with which own organization interacts.	1.1 Organizational leadership develops clear understanding of the activities or services of other organizations.
2. Organization's mission and activities are effectively communicated to other organizations.	2.1-4.1 Organizational leadership identifies specific actions which could improve the working relationships among a set of organizations and lead to improved service delivery for the community.
3. Misunderstandings or other problems are recognized and action is initiated to improve the understanding or solve the problems.	
4. Positive interaction among fellow organizations is encouraged.	

VI. Outcomes and Quality Improvement

A. Organization's outcomes are linked to the community's desired outcomes, needs, and interests.

Best Practices	Suggestions for Achieving Best Practices
1. Current information is maintained on community demographics, statistics on relevant issues, and best practices for programs.	1.1 Executive Director and Board leadership identify reliable sources of both qualitative and quantitative community information as well as a process for accessing it through community stakeholders and inter-organization collaboration.
2. The organization's role in contributing to the achievement of community outcomes is understood and communicated.	2.1 Executive Director and Board leadership understand links between the community's desired outcomes, needs, and interests and organization outcomes and activities.
3. A process is identified for soliciting community and stakeholder opinion about needs and interests.	

VI. Outcomes and Quality Improvement / cont'd

B. The organization's most important outcomes and related activities are defined, including who delivers what to whom and by when.

Best Practices	Suggestions for Achieving Best Practices
1. Executive Director and Board leadership identify key outcomes to be measured. (see Strategic Planning)	1.1 Executive Director and Board leadership convey the importance of outcomes and the relevance of activities to outcomes. 1.2 ED communicates clear expectations to staff so that they understand the outcomes for which they will be held accountable.

C. There is an ongoing system of <u>process evaluation</u> in place for measuring whether activities are implemented as planned.

Best Practices	Suggestions for Achieving Best Practices
1. There exists a system for staff to record their activities in the normal course of their work.	1.1 Management staff design and implement systems for recording activities and collecting both qualitative and quantitative data about program activities.
2. Regular and frequent reports on organization activities are distributed inside and outside the organization.	2.1 Management staff generate reports appropriate to audience and purpose.

D. There is an ongoing <u>outcome evaluation</u> system in place.

Best Practices	Suggestions for Achieving Best Practices
1. There is an evaluation system that operates on a regular, timely and accurate basis.	1.1 Management staff implement and maintain a simple system for measuring outcomes and instruct staff in its use.
2. Outcomes have clear and convincing measures.	2.1 All staff participate in collecting all needed measures regarding organization outcomes.

VI. Outcomes and Quality Improvement / cont'd

E. Data collected through the process and outcome evaluations are readily retrievable..

Best Practices	Suggestions for Achieving Best Practices
1. Evaluation data are computer-entered.	1.1 Organizational leadership ensures the needed hardware and software to make accurate data collection possible.
2. Data are regularly analyzed to examine time and client trends	2.1 Management staff secures needed training for in-house staff to be able to regularly analyze data or to out-source these analysis tasks.

F. Organization uses evaluation data to effectively communicate to staff, Board and other stakeholders about its progress.

Best Practices	Suggestions for Achieving Best Practices
1. Board, staff and funders regularly receive process and outcome evaluation reports that are clear and simple to read.	1.1 Executive Director and management staff implement a system for regularly reporting evaluation findings to staff, Board and other stakeholders. 1.2 Executive Director and management staff develop clear, understandable and relevant evaluation reports that measure agreed-upon outcomes.
2. Data are shared with all stakeholders	2.1 Executive Director and Board leadership develop ways to share evaluation findings with stakeholders, collaborating partners and community members. 2.2 Executive Director and Board leadership identify and work with lead stakeholders to review evaluation findings in a way that gains useful feedback to the organization.
3. Organization outcomes are presented in the context of relevant comparison data.	3.1 Executive Director and Board leadership use relevant comparison data for the organization's outcomes.

G. There is a system in place for monitoring quality of products and services which covers achievement of objectives, completeness, comprehensiveness, accessibility, affordability, number of clients receiving services, and coordination of services with other agencies.

Best Practices	Suggestions for Achieving Best Practices
1. Products and services are regularly reviewed with those performing the work and those benefiting from the work to identify needs for improvement and recognize success.	1.1 Executive Director and management staff understand and apply principles of quality improvement to management practices.

H. Employees are involved in identifying, analyzing and solving problems directly related to their own work.

Best Practices	Suggestions for Achieving Best Practices
1. A system is maintained for employees to identify needs for improvement in work processes.	1.1 Management staff uses methods such as brainstorming and surveys to gather ideas from employees.
2. Group problem-solving among managers and/or employees is encouraged.	2.1 Management staff leads group problem-solving using data collection and analysis, cause and effect analysis, measurable objectives, implementation tests, and evaluation of results. 2.2 Management staff facilitate meetings in a way that ensures full participation. 2.3 Management staff document decisions made and tasks assigned concisely and accurately.

VII. Information Technology Management

A. There is a general understanding of the role and utility of technology in service delivery, information sharing, professional communication, community access and data management.

Best Practices	Suggestions for Achieving Best Practices
1. There exists a basic understanding of what is meant by information technology.	1.1 Organizational leadership has a basic working definition of what information technology is. 1.2 All staff who use it should understand the basic hardware and software available to them in their work.
2. There exists a basic understanding of when to use information technology.	2.1 Organizational leadership investigates how similar organizations are using technology. 2.2 Organizational leadership ensures access to knowledgeable resources on current technology, including Board members, consultants, volunteers, and agencies that support the use of technology by nonprofits.
3. Board members, staff, and clients support the use of information technology.	3.1 Organizational leadership assesess the current climate regarding the use of information technology among Board members, staff, and clients. 3.2 Organizational leadership develops a plan for educating Board members, staff, and clients regarding the positive and appropriate uses of information technology. 3.3 All staff and Board understand the security issues that surround storing confidential information. 3.4 Executive Director and management staff develop a set of information technology guidelines that cover issues related to ethics and security.

VII. Information Technology Management / cont'd

B. Information technology serves the mission and supports the functions of the organization.

Best Practices	Suggestions for Achieving Best Practices
1. Information technology planning is included in all other types of planning throughout the organization.	1.1 Organizational leadership reviews organization's financial, strategic and program plans, and identifies current and possible ways information technology can be used to implement these plans.
2. An information technology plan is established that outlines what the organization does and how technology supports those functions.	2.1 Organizational leadership involves all levels of staff in the planning process. 2.2 All staff identify and prioritize which functions within the organization lend themselves to solutions involving information technology. 2.3 Organizational leadership plan for the future as well as the present.

C. Efficient and cost-effective methods of integrating technology into organization operations result in increases in quality of service and productivity.

Best Practices	Suggestions for Achieving Best Practices
1. All financial costs and benefits are considered when making information technology decisions, including staff training.	1.1 Organizational leadership identifies all potential costs, including consultants, staffing, development, training, hardware, software, documentation, and maintenance. 1.2 Executive Director and financial management staff and Board leadership develop a budget and a plan for raising funds that equal 5% of the organization's annual budget for the first year and 2-3% of the annual budget on an ongoing basis. 1.3 Management staff inventory current technology and assess its usefulness.
2. Less obvious and more indirect costs are considered when making information technology decisions.	2.1 Management staff identify less obvious and indirect costs; i.e. staff time, learning curve, space needs, flexibility. 2.2 Management staff assess staff's skills and develop a system that matches the level of complexity the staff can handle. 2.3 Management staff uses staff's skills assessment to identify a staff member(s) who is interested in information technology and willing to act as the organization's part-time information technology specialist if the organization is not large enough to have an information technology position
3. Technology solves real problems and adds value to the organization.	3.1 Management staff identify ways that information technology can integrate various functions in order to maximize efficiency and minimize costs, i.e. a well-designed database can manage information on clients, staff, and donors simultaneously. 3.2 Management staff evaluate links among tasks that lend themselves to being computerized, i.e. tracking donations can be integrated with accounting tasks.
4. Alternatives to developing in-house information technology solutions are considered.	4.1 Management staff research possible outsourcing for those functions that involve expensive, custom-designed, or complicated information technology. 4.2 Management staff research possible collaborations with similar agencies that are looking for technology solutions to common problems.

VIII. Fundraising

A. Overall fundraising policies are developed to ensure ethical and sound practices and to ensure that practices match the values of the organization.

Best Practices	Suggestions for Achieving Best Practices
1. Fundraising policies outline ethical and sound fundraising practices for the organization.	1.1 Executive Director, Board leadership and fund development staff work to develop fundraising policies for the organization and review annually. Example of issues to address include: list sharing policies, number of funding requests to be made per year, acceptable sources of revenue, definition of major donor, etc. 1.2 Executive Director and Board leadership ensure that Board and staff understand policies and the rationale for them.
2. Fundraising policies demonstrate the values of the organization and articulate any sources of funding or types of fundraising activities that are inappropriate for the organization.	2.1 Executive Director and Board leadership define organizational values with staff and Board with respect to sources of revenue 2.2 Executive Director, Board leadership and fund development staff articulate any inappropriate sources of revenue based on those values. (Also see Strategic Planning and Board Governance)

B. Annual fund development plan shows a diversified funding base and corresponds to Board-approved budget.

Best Practices	Suggestions for Achieving Best Practices
1. Annual fund development plan is developed in conjunction with the Board approved budget to ensure goals are set for diverse revenue sources.	1.1 Executive Director and fund development staff develop detailed plans for each income line item in the organization's budget to determine how to achieve each goal. 1.2 Executive Director and fund development staff identify all possible sources of revenue and revenue-generating activities to ensure as diverse a funding base as the organization can achieve at its current level of staff, volunteers and financial resources.

C. There is organization-wide awareness of and participation in fundraising activities as appropriate*.*

Best Practices	Suggestions for Achieving Best Practices
1. Fund development plan is discussed with all staff and Board.	1.1 Executive Director, Board leadership and management staff review outline of fundraising plan in appropriate meetings with staff and Board.
2. Mechanisms for participation in fundraising plan are discussed for all staff and Board members as appropriate to their role in the organization.	2.1 Board leadership seeks to achieve 100% participation by the Board in giving and participating in fundraising activities. 2.2 Executive Director and management staff identify appropriate roles for staff in fundraising activities.

D. All donors are treated with respect and with the degree of confidentiality they desire.

Best Practices	Suggestions for Achieving Best Practices
1. All donor information is recorded as to date and amount of gift, any restrictions and other pertinent information	1.1 Fund development staff ensure that a comprehensive data collection methodology is in place to record donor information. (See Information Technology) 1.2 Fund development staff ensure that all donor data is recorded with timeliness and accuracy.
2. Donors are acknowledged promptly for their contribution and in whatever public way is appropriate for the organization and for the donor.	2.1 Fund development staff generate acknowledgement letters in accordance with IRS guidelines immediately upon receipt of any gift. 2.2 Executive Director and Board leadership acknowledge donors in any public venues or written material as appropriate to the organization and the donor's desire for anonymity.

E. Funders are provided with honest and accurate information about the organization's work and status.

Best Practices	Suggestions for Achieving Best Practices
1. Regular communications are made with donors with accurate information about the organization's performance, programs and activities.	1.1 Executive Director, fund development staff and management staff develop and implement strategy for communicating with donors through whatever regular mechanism and timeline is appropriate, e.g. newsletter, email update, special reports, annual report, etc. 1.2 Executive Director, fund development staff and management staff solicit information from program staff about programs, services and outcomes to use in donor communications. (See also Marketing)

IX. Marketing

A. There is a clear understanding of the purpose of marketing and marketing plans are developed in appropriate proportion to the overall organization budget.

Best Practices	Suggestions for Achieving Best Practices
1. There is participation throughout the organization to identify the purpose and goals of marketing efforts in relationship to mission.	1.1 Executive Director, Board leadership and management staff develop communication goals in conjunction with all Board and staff based on overall organization and specific program needs.
2. Marketing goals are set to achieve clear outcomes to further the mission of the organization.	2.1 Executive Director and management staff set marketing goals in relationship to overall organization budget.

B. Marketing plan matches the organization's need to communicate administrative, fundraising and program information to the public.

Best Practices	Suggestions for Achieving Best Practices
1. Marketing plan is based on organization's communication goals as identified by program, fund development and administrative staff and Board leadership.	1.1 Executive Director and management staff solicit input from all parts of the organization to ensure full participation with, input into and understanding of communication plans. 1.2 Executive Director and management staff develop specific marketing plan based on organization's communication goals.
2. Marketing plan incorporates diverse and cost-effective mechanisms for communicating information to target audiences.	2.1 Executive Director and management staff examine all current communication and marketing tools as part of plan development. 2.1 Executive Director and management staff identify all possible mechanisms for communicating necessary information and analyze cost effectiveness of each methodology. 2.2 Marketing plan identifies what is to communicated (messages) to whom (target audiences), how (methods).

IX. Marketing / cont'd

C. Organization's collateral materials show consistency and accuracy in portraying organization's mission, activities and public information.

Best Practices	Suggestions for Achieving Best Practices
1. Collateral materials employ certain standards of language, statistics and information that are consistent throughout all organization materials.	1.1 – 2.2 Executive Director and management staff review all current collateral materials for consistency and accuracy and develop organizational communication standards as appropriate for collateral and communications.
2. Collateral materials are clear, easy to read and communicate the necessary information to the public.	

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