



The Resilient Nonprofit

Key Elements for the Champion Advocacy Fund

June 2017

The Champion Advocacy Fund seeks to leverage maximum impact from every dollar granted by investing in highly functioning efficient organizations. As the non-profit sector matures, investments in increased capacity and infrastructure are needed both to increase the sector's potential impact as well as to strengthen resiliency and sustainability for the opportunities ahead.

We believe that an organization with a strong vision, effective governance and leadership, a robust fundraising program, and sound internal systems is better positioned to achieve program goals. Moreover, we believe that organizations build their **adaptive capacity**—that is, their resilience and flexibility to adapt during times of stress as well as respond to opportunities, when the critical building blocks of organizational health are in place and functioning smoothly. The goal of our capacity building program to assist the nonprofit organization in becoming resilient.

We have adopted the TCC Group's definition of adaptive capacity-- the ability of a nonprofit organization to monitor, assess, and respond to internal and external changes.

Using the "The Elements of a Healthy Nonprofit" developed by La Piana Associates, Inc., as a starting point, the Champion Advocacy Fund has prioritized a selection of best practices that are most relevant to our mission and strategies. In considering any new grant application, we will look for evidence of these elements.

- 1. Organization Vision and Strategy: Without a powerful vision, clear focus, and a well-defined strategy, a business cannot be successful. We believe this is doubly true for the nonprofit organization.** Setting the vision and overall direction of the organization is a key role for the executive leadership (Board and staff) of the organization. Strategic planning is used as the tool that translates the vision developed by the organization's leadership team into strategies that guide the organization's work. To develop effective strategies, the organization must have a strong understanding of the environment in which it is working. External communications and relationships also reflect this understanding.

Indicators of an effective Vision and Strategy:

- Strong, readily articulated agreement among executive leadership team as to the long-term vision and strategies for the organization
- Strategies reflect solid understanding of trends in the field, responsiveness to external needs, and how organization's work is impacted
- Strategies inform annual goal setting for program, development, communications and other workplans.
- Organization has a clear message to communicate about its work and role in the community.

2. Healthy Governance: Good governance provides critical working capital — intellect, reputation, resources, and access — to strengthen the organization and in turn the community it serves. The organization has a Board of Directors that works collaboratively with the executive director to define the mission and develop strategies and policies that advance it. The Board’s role extends beyond the legal and fiduciary duty to strategic planning and stewarding the organization’s vision. An exceptional board recognizes the impact of its leadership, and board members understand that they must be thoughtful and engaged leaders, not competent but passive stewards. **The executive director plays a leading role in building and stewarding this generative relationship.**

Indicators of Healthy Governance:

- The Board of directors is actively engaged in its oversight role and knowledgeable about the key external and internal issues that affect the organization's success. The board focuses on policy development, and on the strategic direction and evaluation of the organization. It respects the staff's responsibility to implement policy directives.
- The Executive Director provides consistent leadership in sustaining board effectiveness—through board development, planning, and other systems.
- The Board's effectiveness is apparent in well-run programs, well-managed operations, a well-planned funding base, and organizational sustainability/longevity.
- The Board has established clear leadership roles (officers and committee chairs) to drive its activities effectively. It fosters the development of new leaders to fill future roles as needed.
- The Board understands the organization's exposure to risk and actively manages that exposure.
- The Board understands its fiduciary and legal responsibilities.
- The Board understands the restrictions, if any, on the organization's grants and contracts.
- There is a succession plan that details explicit steps for the transfer of leadership (board and executive director) in the case of either an unexpected or planned transition.

3. An Effective Executive Director: At the heart of every successful organization, is a strong leader— one that recognizes that collaborative, diffuse leadership is more important than concentrated power. The staff leader of a nonprofit must be a jack-of-all-trades. He or she must work collaboratively with the board and staff; provide a bridge to the community, funders and clients; chart a future course; raise funds; and model a high ethical standard. The executive director sets the tone for internal communications and staff’s working relationships with one another.

Indicators of an effective Executive Director:

- The Executive Director is a passionate leader who is knowledgeable about managing the organization, has a good reputation in the community and the field of which the organization is a part, as well as an understanding of the trends or movements in the field and how they affect the organization’s work.
- The Executive Director makes staff and board feel valued and connected with the mission - and inspires them to do their best work.
- The Executive Director sees the board as “working capital,” or assets for the organization to leverage in the community
- The Executive Director has the ability to delegate and employs it effectively.
- The Executive Director works to build a culture among the staff and board that encourages experimentation and innovation. The staff and board welcome analysis and actively invite input. Board and staff are able to think strategically and generatively. Generative thinking provides insights, creativity and new approaches to the way that the work gets done and the mission is realized.

4. A Sustainable Fund Development Program: We look beyond just the dollars raised to the diversity of the revenue sources, the role that leadership plays in raising money, and how fundraising inhabits the organization's culture. In order to achieve its mission, a nonprofit must have a vibrant development program. Effective fund development depends on a number of critical elements: including an understanding of the various constituencies, their needs, and how the organization meets their needs; clear institutional direction and ongoing strategic planning; shared expectations of staff and volunteers; and a governance and management structure that supports the fund development process.

Indicators of a successful fund development program:

- At all levels of the organization, staff understand their respective roles and how their job supports fundraising goals, indicating a robust philanthropic culture
- The Board of Directors is knowledgeable about the fundraising process and the roles in the organization.
- There is 100% participation by the Board in the fundraising process— through soliciting, cultivating, or stewarding donors.
- The organization's Board of Directors has established a committee charged with developing, evaluating and reviewing fundraising policies, practices and goals.
- The committee is actively involved in the fundraising process and works to involve others in strengthening overall philanthropic culture.
- The Board of Directors, executive director and committee supports and participates in the total fundraising process, including project identification, cultivation, solicitation and recognition.
- The organization has diversified contributed income with goals that are realistic and based on the economy and past experience.
- 100% of the Board of Directors makes an annual financial contribution to the organization.

5. A Commitment to Using the tools of Advocacy: Advocacy can be a powerful catalyst for change. It can improve the laws, policies, and systems that impact entire communities. For some organizations, grassroots advocacy is key to effecting the policy changes crucial to achieving their mission. For others, the role of the board or the "grasstops" plays a central role in communications, direct advocacy, and influencing legislation.

Indicators of a well-developed advocacy program are:

- The organization has a clear, written advocacy agenda, which is informed by its constituents and approved by its leadership.
- The organization's leadership understands and supports its advocacy plans and activities.
- To accomplish its advocacy agenda, the organization 1) identifies key decision-makers for its advocacy agenda goals, 2) determines what it will take to obtain those decision-makers' support, and 3) plans a flexible strategy.
- The organization builds and nurtures ongoing working relationships with elected officials and other decision-makers who can influence progress of the organization's advocacy agenda.
- The organization monitors and works to influence all branches of government activity in order to further its advocacy priorities.
- The organization understands the election process and participates in voter and/or candidate education efforts.

6. Sound Internal and Financial Management Systems: In order to carry out their work effectively, nonprofits must have well-honed internal systems. Human resources, financial, and information technology functions must be operating efficiently.

Indicators of sound internal systems:

- The Board of Directors and staff leadership provide adequate oversight of the finances of the organization
- The organization undertakes outside review of its finances and accounting systems at least annually.
- The organization's leadership participates in annual budgeting and regular meetings to track revenue and expenses, as well as set long term financial objectives
- The organization's management complies with applicable employment law and has systems for addressing recruitment, orientation, professional development, performance evaluation, and termination.
- The organization has a succession plan for key leaders.
- The technology required for the organization to perform optimally is in place with its functions managed with adequate resources.

Helpful Resources

In developing The Resilient Nonprofit, we consulted a variety of sources; including:

- Blumenthal, Barbara, Investing in Capacity Building, 2003.
- Chait, Richard P., Ryan, William P., Taylor, Barbara E., Governance as Leadership, Reframing the Work of Nonprofit Boards, 2005.
- Collins, Jim, Good to Great and the Social Sectors: Why Business Thinking is Not the Answer, 2005.
- CompassPoint Nonprofit Services and The Eugene and Agnes E. Meyer Foundation, "Daring to Lead: A National Study of Nonprofit Executive Leadership," 2006.
- Connolly, Paul and TCC Group, "Building to Last: A Grantmaker's Guide to Strengthening Nonprofit Organizations," 2001.
- Drucker, Peter, Managing the Nonprofit Organization, 1992.
- FSG Social Impact Advisors and the Bill and Melinda Gates Foundation, "Capacity Building Approach," 2009.
- GEO's Due Diligence Done Well: A Guide for Grantmakers
<https://www.geofunders.org/resources/due-diligence-done-well-a-guide-for-grantmakers-714>
- BoardSource's Knowledge Center: <http://www.boardsource.org>
- Alliance for Justice – Bolder Advocacy: <http://www.bolderadvocacy.org/>