



# DRAFT | Building Capacity for the BC Stewardship Sector Benchmarking Tool



Draft Note:

This is a prototype of the Capacity Benchmarking Tool for the Stewardship Sector. This prototype benchmarks three areas under the Framework: Foundation, Fundraising and Financial Management, and Getting the Message Out: Communications & Marketing.

The Benchmarking Tool below has two components: a background section briefly describing each area being assessed and why it is important and the benchmarking tool itself including notes on how to use the Tool. Taken together these two pieces functions as both an education/learning piece and an assessment of the organizational capacity. In its final format, the these two components could become two separate documents: one containing the background information and one with only the Tool. Feedback from stewardship groups would enable their preference to dictate the final form.

As well, it is suggested that the Tool eventually be available in two different formats: 1). on the website with the site able to calculate the score of the organization upon completion; and 2). in a format such as a downloadable PDF workbook that groups can easily print to take to a meeting.

Further discussion of the Benchmarking Tool and recommendations for next steps can be found in the Summary Document.

Please note: the following is provided for content and discussion purposes only.

# Benchmarking Capacity for the B.C. Stewardship Sector

## Introduction

Benchmarking is a strategic process used to evaluate and measure performance in relation to best practices. A benchmarking tool enables an organization to look at their current capacity and compare it to an optimal level of functionality and efficiency in order to improve the level of organizational performance. Predetermined milestones are used as "check-in" points to monitor progress toward building organizational capacity.

Assessing capacity through a benchmarking tool can serve a number of purposes:

- Identifying areas where capacity is strong and those areas that could be helped by capacity building;
- Increasing knowledge of what the various areas of capacity entail and drawing attention to areas that organizations might not have considered;
- Providing a snapshot of current capacity;
- Monitoring changes in an organization's capacity over time. An initial assessment provides a benchmark of where an organization is before taking any actions. Assessment can be completed annually, biannually or following action to measure changes in organizational capacity;
- Stimulating conversation within organizations and drawing out different views and perspectives from the members of an organization about the organization's capacity. This can be one of the most powerful aspects of benchmarking. Often there are things that seem a little off to some or all members of an organization, but not knowing what to do about it, members put up with it or wait until it builds to crisis point before addressing it (or continuing not to address it and just have people leave the organization). A benchmarking or other assessment tool provides a tool that opens up conversation about deeper issues in a non-confrontational manner;
- Providing a common vocabulary for talking about capacity;
- Challenging operational complacency;
- Providing vision of what higher capacity looks like as well as realistic targets;
- Fostering continuous improvement

## Using the Tool

Often in organizations, members realize that something is ‘off’, or not quite working, but are unsure of what it is. We expend lots of energy towards our goal and either something prevents us from reaching it or we do reach it but the journey is exhausting and morale is deflated (and so we lose people from the organization). Assessment tools enable organizations to ‘tease’ out where things aren’t working – they open up discussion and help groups to take a look at things going on beneath the surface of their organization – things that are essential to whether goals are met or not – or even whether the organization survives or not. Because one member of an organization might see problems where another thinks things are fine, benchmarking also allows people to objectively evaluate their organization against best practices and approach solutions from a common platform.

A number of capacity building areas are evaluated in the Benchmarking Tool. You will find a brief discussion of what each of these areas entail and why they are important to the capacity of an organization before the relevant section of the Benchmarking Tool.

In the Capacity Benchmarking Tool itself, there are four levels of capacity for each area ranging from ‘What’s Capacity?’ to ‘High Level of Capacity’. In order to score your organization, look for the highest level of match. If your organization doesn’t quite match one level, then rate your organization in the next level down.

It is important to note that the tool is meant as a mechanism to help your organization, not to judge it! Organizations have different levels of capacity in different areas and smaller and younger organizations often have less capacity. An assessment should be approached as a process rather than a survey. It will be most useful when tied to the planning process of an organization. No organization will have high capacity across the board – every organization has strengths and weakness. The benchmarking tool is simply a mechanism to help your organization on its journey and to provide examples of good practices in capacity building so that organizations have an understanding of where to direct their capacity building goals.

## Pre-Steps

1. **Pick the Players-** decide who will complete the benchmarking or assessment. It is better to have a number of people involved, but if you are the only one available to do it, go for it.
2. **Decide how best to complete the benchmarking tool-** you may decide to undertake it all together in a workshop or complete it individually with a follow-up group meeting to discuss the results. There is great value in gathering together, if feasible, to complete the tool because of much of the value of the benchmarking occurs in the conversations and collective understandings that emerge during the process. However, there may be a variety of scenarios which make it preferable to complete the benchmarking tool individually. For example, if your board is located around the province or members have many divergent opinions or one or more members that tends to dominate meetings, completing the tool individually will ensure that all voices are heard.
3. **Give yourself a Deadline-** pick a meeting date, and set aside enough time to complete the Benchmarking Tool or if it is being completed individually, determine when it is to be returned.
4. **Make the meeting fun-** in our experience it always helps to have chocolate on hand! Completing the benchmarking may be a long process and you may want to conduct the process over a meal time.
5. **This is not a test-** there are no wrong answers!
6. **Be adaptable-** if a section does not apply to your organization, then leave that section out. For example, many organizations do not have a Board of Directors or staff members. Also, people involved in the assessment may not have knowledge of all capacity areas and thus should just review the ones that they are familiar with

## Prioritizing Capacity Building

The lowest scores in an area are not necessarily the highest priorities; other factors should be taken into consideration. Once the various capacities of an organization have been assessed, the people involved in the organization can decide which are the most important to address given the organization's unique situation and externalities. No two organizations will be exactly the same: your organization can decide the number of areas to focus on at one time and the appropriate combination of capacity building strategies. That said, the Foundation area is a basic capacity building area. Other capacities build from having the Foundation in place and if your organization does not have a strong foundation, then goals are harder to reach and there is a greater danger of people's personal agendas hijacking the organization. However, if your organization is about to go under due to funding problems, then you may need to focus on that as a crisis area.

It is also important to recognize that even though the Framework identifies 8 discrete capacities, all of the areas overlap and are interrelated and interdependent. This is good news since any work done to improve the capacity in one area will no doubt advance other capacities.

## The Benchmarking Tool

### Foundation

*“If you have built castles in the air, your work need not be lost. That is where they should be. Now put the foundation under them.”*

~ Henry David Thoreau

Organization effectiveness is based on an organization being able to connect its vision to its goals, its goals to its plans, its plans to its actions and its actions to its results. Without a clear direction, it is not possible for an organization to function optimally. Having an explicit idea of what you want to accomplish through your organization is the basis for capacity building.

Without a strong foundation in place, an organization will waste countless hours in meetings and making decisions. A strong foundation gives an organization the clarity it needs to know who it is, who it wants to be and to take direct action toward its goals. If a group does nothing else but address foundation capacity, it will have enhanced its capacity immeasurably.

Initial research suggests that nonprofits increase their capacity tremendously when they regularly reassess their aspirations – their mission, vision and their strategy and the actionable ways to achieve their goals. Almost every organization starts out developing a mission or vision, but over time there is a tendency for it to get lost in the day to day running of the organization. Building

Foundational capacity involves ensuring that the greater vision of what your organization has been formed to accomplish is shared throughout the organization and is reaffirmed in all of your decisions and actions. An organization with a strong foundation is dynamic and empowered to move steadily toward its vision.

### Mission

An organization's mission is its backbone, describing why the organization exists, who it serves and the means by which it serves them. A mission statement is a written expression of who an organization is: its values, characteristics, philosophy and purpose. It differentiates the organization from other organizations by defining its scope of activities, its market, and the organization's ultimate aims. A mission statement is a valuable entity because it provides the members of an organization with a shared purpose and direction, inspires the major activities of the organization and forms the basis for evaluating the organization's performance.

Unfortunately, many organizations write a mission statement when the organization is created and then never look back at it again. Over time, as the mission statement is forgotten, the organization becomes less focused as it begins to serve a number of divergent missions: the one that is written down and the ones within the

minds of the various organization members. The more out of date the mission becomes, the greater this problem grows. The perceived missions often lead to conflicts as different organization members are serving different missions.

Today, it is increasingly being recognized that the mission statement inspires an organization when used as a living document. When a mission becomes a living statement, it provides direction that keeps the organization on track preventing wasted time and resources. When used strategically, the mission statement becomes the inspirational force of an organization and a mechanism for measuring accomplishments.

### ***Vision***

The vision statement answers the question of what you are building capacity for; it is the picture of your ideal future. A vision is a compelling, easy-to-understand description of how your organization would like the world to change what role the organization will play in that change, and how it will measure the success of its role. Your vision is the bigger picture of what your organization wants to become and gives shape and direction to an organization's future. A vision statement should be inspiring: it should resonate with all members of the organization and help them feel proud, excited, and part of something much bigger than themselves. A vision statement helps the organization not to become stale by stretching the organization's capabilities and image of itself. The vision statement communicates both the purpose and values of the organization.

People who just want to get on with the 'real' work may have a difficult time seeing the value in the process and outcomes of visioning, but the long-term benefits are substantial:

- Keeps organizations focused on and moving toward the bigger picture of their ideal future;
- Inspires organization members and promotes interest and commitment;
- Provides continuity to goals, programs and planning;
- Provides focus for the organization;
- Opens the door to unique and creative solutions;
- Increases efficiency, productivity, shared purpose and enjoyment;
- Increases the ease of performance measurement;
- Facilitates the tracking of successes and identify ineffective programs in the early stages;
- Highlights gaps in talent, funds, or facilities.

Nonprofits measure their success not in terms of shareholder profits but by building social capital and a strong, shared vision provides a benchmark for measuring success.

### *Strategic Planning*

Best practices for an organization include developing and adopting a written strategic plan to achieve its mission. The planning process identifies the critical issues facing the organization that need to be addressed in the plan. This can be anything from developing the right program mix or reaching a particular audience to addressing income sources, creating effective leadership, establishing the right staff structure and size and changing factors in the community. The annual goals and objectives are developed in alignment with the strategic plan.

The Strategic Plan:

- Includes annual and long-range goals;
- Sets goals and measurable objectives that address critical issues facing the organization;
- Integrates all the organization's activities around a focused mission;
- Prioritizes the goals of the organization and develops timelines for their accomplishments;
- Establishes performance indicators to indicate the organization's progress toward its goals;
- Allocates human and financial resources realistically to insure the accomplishment of the goals in a timely fashion.

The process of strategic planning is powerful especially when organizations engage the input of all stakeholders and provide a welcome forum for thoughtful and sometimes divergent input. This doesn't necessarily mean that all stakeholders will be involved in the decision-making, but a strict top-down approach to strategic

planning generally leads to rigidity and an inability to strategize creatively within the ever-changing environment in which most organizations exist.

Strategic planning also integrates areas of activity such as programming, marketing and fundraising, often approached independently, into a single process.



## Benchmarking Foundation

Level 1 “What’s Capacity?”	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Mission</b>				
<p>What's a mission statement?</p> <p>(Or - Somebody wrote one but the rest of us didn't look at it. I think I still have the email, though).</p>	<p>We have a mission statement. It has something to do with _____ or maybe _____. Given several hours notice someone could dig it out of the file it's buried in.</p>	<p>We have a mission statement. Most staff/board have a good sense of it. Sometimes we even discuss it when making decisions.</p>	<p>The mission statement is reviewed regularly and updated as needed. All decision-making members have a good understanding of the mission and decision-making is based on the mission.</p>	<p><b>We have a mission statement. It is reviewed for appropriateness at least on an annual basis (better=biannual) and modified as needed. Everyone understands and can explain the mission and is involved in developing/reviewing it. It clearly describes our organization's reason for existence including our values and purpose. The mission is used to guide all of our decision-making and program/service development.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Vision- Clarity and Boldness</b>				
<p>We have great vision. Some of us wear glasses and a couple have even had that fancy laser eye operation.</p>	<p>We have talked about our vision, although it is not necessarily written down.</p>	<p>We have a clear and specific understanding of what organization aspires to become or achieve held by many within the organization. We regularly use the vision to direct actions and set priorities.</p>	<p>The vision statement is written and all decision-making members have a clear and specific understanding of what the organization aspires to achieve. The vision is inspiring and consistently used to guide the actions of the organization.</p>	<p><b>We have written a vision statement. All board members and Executive have a clear and shared understanding of the vision for the organization.</b></p> <p><b>Our vision is offers a clear, specific, and compelling understanding of what organization aspires to become or achieve and is consistently used to direct actions and set priorities. Our vision offers an inspiring view of future and is demanding but achievable.</b></p> <p><b>The organization has core values that are developed and formalized jointly by board and staff. Important decisions and actions are assessed against these core values.</b></p>

Your Score: \_\_\_\_\_

Level 1 “What’s Capacity?”	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Strategic Planning</b>				
<p>Can you spell that?</p> <p>Wasn't that that thing that Teddy's uncle's cousin's daughter helped us do 2 years ago? Oh, really?, that was 5 years ago? Huh!</p> <p>That was a pretty document.</p>	<p>I think our strategic plan does that. Let me get it off the shelf/computer and open it up.</p>	<p>The organization has a strategic plan and it has been discussed within the last year.</p>	<p>The strategic plan is comprehensive and used to guide the day-to-day activities of the organization. The strategic plan is reviewed regularly with input from key stakeholders.</p>	<p><b>The organization has a written strategic plan that addresses both the annual and long-term strategy. It is actionable and linked to the organization’s mission, vision, and goals. The plan consistently guides day-to-day activities and decision-making. Activities within the plan are assessed at least annually. There is a formal process for strategic planning that allows for input from key stakeholders. Implementation of the plan is regularly monitored. The plan identifies outcomes and connects them to the activities or strategies that the organization will use to reach these outcomes. Leadership team identifies roles for all internal and external stakeholders to monitor the plan's implementation and effectiveness.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Goals</b>				
<p>The organization does not have written annual goals and objectives</p>	<p>The organization has written programmatic goals but they are developed by the key volunteers or staff involved in that area and not ratified at a board or organizational level.</p>	<p>The organization has written annual goals and objectives ratified by the board but they are developed independently of, and without formal reference to, the strategic plan.</p>	<p>The organization has written annual goals and objectives that have been ratified and are in alignment with the strategic plan. The goals are used to direct the organization's actions.</p>	<p><b>The annual goals are in alignment with the mission, vision and strategic plan. Goals are clear, specific, have a timeline, and a concrete way to measure success. The goals are broadly known within the organization and used to direct actions and set priorities.</b></p>
<b>Projects Programs and Services</b>				
<p>Our projects happen to us.</p> <p>We do the same work we've always done.</p> <p>"I really just wanted to dig out the channel. Where is that shovel, anyway?"</p>	<p>We do projects that interest staff/volunteers and seemed aligned with our mission</p>	<p>We try to align programs and services</p>	<p>Programs and services are developed and evaluated in alignment with the strategic plan and sufficient resources are allocated to ensure success.</p>	<p><b>Programs, etc. are congruent with the organization's mission and strategic plan. Staff &amp; volunteers have sufficient training and skill levels to produce the program. Sufficient resources have been allocated to ensure each program can achieve its established goals and objectives. Your organization evaluates its activities to determine progress toward goal accomplishment and to ensure continued alignment with the organization's mission, values and goals (Each program has performance indicators that are reviewed at least annually).</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Objective Means of Measuring Outcomes</b>				
<p>The organization does not measure outcomes and has no formal way to determine if its programs and services meet client needs or are generating the desired outcomes.</p>	<p>The organization uses anecdotal and subjective information to measure outcomes. Outcomes are not evaluated against pre-determined objectives.</p>	<p>The organization collects information about the outcomes of its programs and services although it does not have a formal process for doing this.</p>	<p>The organization has pre-determined objectives and a formal process for measuring the outcomes of its programs and projects.</p>	<p><b>The organization has a formal process for measuring the outcomes of its programs and projects. The organization evaluates outcomes against pre-determined objectives and makes adjustments to programs and projects where necessary. There is an ongoing system of process evaluation in place for measuring whether activities are implemented as planned.</b>  <b>Leadership identifies key outcomes to be measured.</b>  <b>Leadership convey the importance of outcomes and the relevance of activities to outcomes.</b>  <b>Responsibilities for outcomes are clearly defined.</b></p>

Your Score: \_\_\_\_\_

## Funding & Financial Management

Financial capacity involves developing the skills required to design a diverse and effective financial strategy, creating a culture that recognizes the importance of integrating fundraising into all areas of the organization and building the expertise to be able to make the most of the funds raised and reduce the administrative burden of reporting.

Most stewardship groups need money to accomplish their goals, but the current global economic crisis, reduced government support and increasing specificity of foundation grant-making criteria (Humphries 2005 p.4; Vesneski 2005 p.4) coupled with increasingly onerous reporting requirements and a reduction in core funding support have created a difficult funding climate in which many nonprofits are struggling. Indeed, financial capacity issues have long been noted as the “greatest challenge” facing the nonprofit and voluntary sector (Canadian Centre for Philanthropy 2003 p.viii).

Strong fundraising strategies are diverse and broad both in scope and personnel: funding is not just foundation-based, but includes a variety of funding sources such as donors, earned income, government, and planned giving. As well, solid fundraising strategies are integrated and valued throughout the organization so that everyone has some skills and contributes to fundraising.

When organizations have a diverse fundraising strategy they:

- Gain greater control over their program work rather than being directed by funders;
- Become more resilient to changeable foundation and government funding sources;
- Are able to mobilize timely responses to external events or crises (because all their money is not tied to specific grant related programs); and
- Establish strong connections and support in their community through their broad donor base that results in broad community support.

Part of building financial capacity is recognizing that fundraising is not an extracurricular task, but rather an essential component of the work of an organization because it engages donors and constituents in the organization’s mission. This is particularly salient for smaller nonprofits that cannot afford dedicated development staff. However, no matter the size of an organization, good fundraising practices mean that everyone is involved in the tasks of fundraising from the executive director to staff, and the board.

Although fundraising takes the spotlight when it comes to nonprofit discussions, it is only one aspect of an organization’s financial fitness. Building capacity in this area involves assessing an organisation’s current status and developing skills in planning and budgeting, accounts record-keeping, financial reporting, and financial controls so that an organization can make the best use of its resources.

### *Fundraising Culture*

One of the greatest impediments to successful fundraising is not having a diverse group of people in the organization involved in and responsible for fundraising activities. Many organizations have a separation between those who do programming and those who do fundraising. As organizations grow, this division becomes more obvious and problems increase: programming staff don't want to be part of fundraising development and fundraising staff feel like they're the only ones bringing in the money and yet become increasingly disconnected from the vision, missions and connections to the issues that create the passion for their position. The organization loses valuable input from fundraisers and frustrated staff move on. Turnovers for fundraising staff are often higher than for any other staff.

Organizations who have developed a fundraising culture integrate fundraising and program work and share fundraising and program responsibilities among members. Organizations need fundraising systems and processes that are easy to learn and use, that reflect feel of the organization, and that are linked to everything that the organization does in order to be financially sustainable over the long term. A strong organization recognizes that fundraising is a team effort and integrates fundraising into all facets of its work and structure. If an organization is large enough to have fundraising staff, they are included in program discussions, plans, and activities.

### *Fundraising Plans*

Good Practices include having both long-term and annual fundraising plans. An annual fundraising plan includes:

- The proposed budget goal for the year;
- The amount to be raised from each funding source;
- The responsibilities of the board and staff in terms of securing funding;
- Any materials, equipment, and software that are needed.
- Strategies, if required, to address any gap between the budget and funding.

A long-term fundraising plan includes:

- Strategies to tackle fundraising obstacles and goals;
- The roles and responsibilities of staff, the board, etc.;
- The overall budget and the proportion to be acquired from each source of funding;
- The number of months of revenue in reserve;
- The proportion of funds that are unrestricted in use and can be used for operating expenses versus those tied to specific programs and projects.

<b>Benchmarking Fundraising &amp; Financial</b>				
<b>Level 1 “What’s Capacity?”</b>	<b>Level 2 Some Level of Capacity</b>	<b>Level 3 Moderate Level of Capacity</b>	<b>Level 4 High Level of Capacity</b>	<b>Good Practices</b>
<b>Budget</b>				
<p>We figure when the money runs out then we'll make a budget.</p> <p>We work to the money that is available, sort of project by project</p>	<p>We have a loose budget periodically forecasts year-end revenues and expenses to assist in making sound management decisions</p>	<p>The organization has a budget developed by core staff or volunteers but it isn't ratified by the board and seeks funding to meet projected needs on an annual basis.</p>	<p>A comprehensive budget is developed each year and used to forecast and as the basis for decision-making. The budget is approved by the Board of Directors or appropriate members.</p>	<p><b>Your organization develops an annual comprehensive operating budget which includes costs for all programs, management and fundraising and all sources of funding.</b></p> <p><b>This budget forecasts year-end revenues and expenses to assist in making sound management decisions.</b></p> <p><b>Direct and indirect costs are monitored, including allocation of staff time to program, administration, evaluation, and fundraising activities.</b></p> <p><b>The budget is reviewed and approved by the Board of Directors.</b></p> <p><b>The financial status is assessed regularly (at least quarterly). The organization has a 3-5 year budget process linked to strategic goals.</b></p>

Your Score: \_\_\_\_\_



Level 1 “What’s Capacity?”	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Fundraising Culture</b>				
It would be so great if we were large enough to hire a fundraiser.	There are lots of ideas generated about raising funds but no one ever seems to get to them.	The organization recognizes the importance of fundraising but the brunt of the fundraising happens by one or two people in the organization. Often programs grow out of funding opportunities.	Everyone is involved in fundraising and recognizes its importance. The organization has fundraising policies, practices and goals.	<p><b>Everyone (staff, board and volunteers) participate and know their roles in the total fundraising process, including project identification, cultivation, solicitation and recognition.</b></p> <p><b>Either the board or an established fundraising committee is charged with developing, evaluating and reviewing fundraising policies, practices and goals.</b></p>
<b>Fundraising Plan</b>				
Our organization doesn’t have enough money to have a fundraising plan!	The organization secures resources more or less in the same way and from the same sources as it has done for years. The level of its programs and services are determined by the resources at-hand.	The organization sets goals for fundraising but does not have a comprehensive formal plan. The organization relies on its best efforts to secure resources and tries to find new sources from time to time.	The organization has a comprehensive fundraising plan with a diversified funding base. The plan is reviewed on a regular basis.	<p><b>A fundraising plan has been developed that ensures a diversified funding base.</b></p> <p><b>Current and potential sources of revenue are reviewed regularly. The organization is proactive in securing resources.</b></p>

Your  
Score: \_\_\_\_\_

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<b>Funding Stability</b>				
<p>Friends and family know to make a donation to the organization in lieu of holiday gifts.</p>	<p>There may be a feeling of living "from hand to mouth" and programs and services are often changed based on the resources available. Funding may not be sufficient to cover yearly expenses.</p>	<p>The organization is more than 75 percent dependent on one source of funding or one type such as government funding.</p>	<p>The organization usually raises sufficient funds to meet program and service objectives but falls short occasionally.</p> <p>The organization has one revenue stream exceeding 50 percent of its total income budget.</p>	<p><b>Highly diversified funding sources [donations, sponsorship, grants, government, earned income etc].</b></p> <p><b>No single stream exceeds 30 percent of the total income budget.</b></p> <p><b>Growing and active donor base.</b></p> <p><b>Sufficient funds to meet program and administration objectives are raised.</b></p> <p><b>A plan exists identifying actions to take in the event of a reduction or loss in funding.</b></p> <p><b>The organization has diversified strategies and regularly considers new strategies. If one source of funds is less than expected, the organization adjusts and raises money from other sources.</b></p> <p><b>A reserve exist to cover at least three months of operating expenses.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Donor Management and Communications</b>				
<p>Didn't we put a button on the website for donations?</p>	<p>Donations sometimes come in, but there is no system in place to specifically track and deal with donations.</p>	<p>The organization is aware of how much comes in from donors and tries to thank and communicate the impact of their donation to them. There is no comprehensive system so, admittedly, some things probably fall through the cracks.</p>	<p>The organization has systems for both developing new donors and tracking donors. The organization has regular and appropriate (donor-centered) communications with donors.</p>	<p><b>The organization has a systematic process for developing new donors and is continually prospecting to identify potential donors.</b></p> <p><b>Donor management system: tracks prospective donors and donor history, thanks donors appropriately, allows organization to segment donor population for targeted appeals, the ability to analyze where donors come from and creates documents and reports that interface well with other internal systems.</b></p> <p><b>Donors are informed regularly about the impact of their investments.</b></p> <p><b>The organization builds and strengthens its relationships with donors and potential donors continuously and systematically.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Financial Management</b>				
<p>The organization does not regularly review financial statements at board meetings; the treasurer attends meetings sporadically. When financial statements come out at a board meeting everyone's eyes glaze over.</p>	<p>The organization gets financial statements at board meetings but few understand the statements.</p>	<p>Financial statements are reviewed regularly by staff/members/board. However, decisions do not flow from the review of the statements and all are relieved when they can start talking about the programs again.</p>	<p>Statements are prepared and sent out ahead of the meeting and interpreted at board meetings by a skilled treasurer. The statements form the basis for sound financial planning. A finance committee forms the oversight for procedures and process. A financial review process is in place.</p>	<p><b>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. Budget variance is reported and reviewed by staff/members and Board.</b></p> <p><b>The organization has a review process to monitor that they are receiving appropriate and accurate financial information, whether from a contracted service or internal processing.</b></p> <p><b>Payroll and the issuing of tax receipts follows appropriate federal and provincial/state regulations and organizational policy.</b></p> <p><b>Leadership reviews financial reports that are accurate, easy to understand, and timely.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Accounting and Record Keeping</b>				
<p>We have a treasurer on the board- as a teen he was the cashier at the Piggly Wiggly.</p>	<p>Revenue and expenses are generally tracked when someone asks for a report and may be done by multiple people. Grant monies are put into a general account and spent as they come in. Sometimes expenses from the previous fiscal year are paid in the current year due to oversight.</p>	<p>The organization has a formal accounting system but lack member training to ensure it is well dealt with. Accounting tends to be done on an as needed basis or when the treasurer has time to come in and help. Grant monies are generally tracked and allocated as the expenses are incurred.</p>	<p>The organization has a formal accounting process that is implemented by staff/volunteers that are appropriately trained and supervised by a conscientious treasurer. Grants are tracked. Expenses and revenue are accounted for in a timely manner. Staff/volunteers receive continued training on both process and CRA rules and regulation for charities.</p>	<p><b>The organization follows accounting practices which conform to accepted standards. Systems and controls are in place governing all financial operations and their integration with budgeting, decision-making, and organizational objectives/strategic goals; cash flow actively managed.</b></p> <p><b>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.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Financial Reporting</b>				
I'm sure the treasurer has a report somewhere.	We talk about the finances at each board meeting and at the AGM- mostly about how much is in the bank and what expenses are outstanding.	The treasurer gives an oral presentation at each board meeting and at the AGM and produces a written summary. The organization may have a external review but not an audit. Reports are provided to funders on request.	Quarterly financial statements are produced for the board; consistent and reconciled financial reports available to funders; an annual external review is conducted and financial reports are available for members and funders.	<p><b>Quarterly financial statements are produced for the Board to review.</b></p> <p><b>Reporting to funders- both</b></p> <p><b>The organization has an annual, independent audit of their financial statements, prepared by a certified public accountant including a management letter containing recommendations for improvements in the financial operations of the organization. The report and letter are reviewed by staff and board and any necessary changes instituted.</b></p>
<b>Financial Controls</b>				
We trust our volunteers and staff- after all everyone is here because they believe in the cause!	Some policy/ procedures or informal understandings in place.	Some policies or policies that are mostly adhered to, signing authorities not regularly updated,	Organization has a formal policy; separation between those who deposit and report on income and expenditures; has a contingency plan or has discussed a protocol in the event that a problem is uncovered.	<p><b>The organization has a written fiscal policy and procedures manual and follows it.</b></p> <p><b>The organization has documented a set of internal controls, including the handling of cash and deposits, and approval over spending and disbursements and the signing of cheques.</b></p>

Your Score: \_\_\_\_\_

Your Score: \_\_\_\_\_

## Communications & Marketing

All nonprofits have a need to stand out in the crowd – whether it is to attract volunteers, change people’s behaviour, find people to participate in their programs or get funding. Every day, more than one hundred new nonprofits are created in North America which means that there are a lot of nonprofits competing for resources (Sagawa & Jospin 2009 p.29). The organizations that will attract the funders, staff, volunteers, and community support are those that are best able to communicate a strong shared vision.

Not knowing how to effectively communicate in order to get the desired response prevents many organizations from being the strong and productive organizations they want to be. Without the ability to communicate strategically, an organization’s voice is likely to remain unheard – or worse, create misunderstandings and problems for the organization.

According to the Communication Consortium Media Center, “The way issues are packaged by means of carefully designed words and phrases, visual clues, and selection of symbolic communicators, affects how the public thinks about issues. Framing influences the perception and interpretations of media consumers and politicians alike.” Stewardship organizations are formed around environmental goals. In order to achieve these goals, it is essential that organizations learn to develop and deploy a way of speaking about issues that engages and mobilizes the public.

Building a group of citizens who believe in your mission and become engaged advocates can often be the most important component of a successful organization, particularly over the long run. Almost every organization needs support from the community – whether it is to change behaviour, attract volunteers, affect policy, gain media attention, or raise funds to do the work. Communicating in a way that enhances the credibility of the organization is crucial.

Building marketing and communications capacity has many benefits:

- Increase public awareness of an organization’s issue, the contribution of an organization and its need for funds;
- Reach stakeholders with the message that gets the desired response;
- Differentiate an organization;
- Identify and reach a target market;
- Develop strategies to meet marketing and public relations goals;
- Effectively use news media to get a message out and build support for an organization;
- Be able to manage a public relations crisis;
- Educate community members in order to overcome assumptions and stereotypes and reframe the public debate;
- Build support for public policy changes.

### ***Branding: Creating and Communicating a Consistent & Recognized Message***

The idea of branding is obviously well used in for-profit companies. It is the idea of creating a strong, easily recognizable identity. Branding involves differentiating yourself so people understand how your organization is unique. Branding requires consistency so that every experience a person has with your organization contributes to the idea/s that you want people to have about the organization. Unfortunately, the word branding sometimes puts stewardship nonprofits 'off' due to associations with corporations and consumerism that are often blamed for causing many environmental problems. Recently, however, there is growing recognition that no matter who you are, if you want to change the world, you have to be able to engage your audience and keep their attention.

### ***Engaging Your Audience***

Compelling communication draws on both logical and emotional appeals. Creating an emotional connection is key to changing people's behaviour or gaining their support. The authors of Forces For Good found that high-impact organizations communicate their mission, vision and values to the community in an engaging way. "Over and over again, we heard this theme: it's not about marketing per se; it's about the message" (2008 p.88).

People who are concerned about the environment are often frustrated that people seem unaware, uncaring and uninvolved. Unfortunately, this often becomes the basis for how groups communicate creating guilt and shame in listeners who are quick to tune out.

The Nature Conservancy (TNC) raises over \$14 million annually from 550,000 members who pay dues and receive over \$129 million in corporate and private donor gifts of land in money. The reason for its high income is that it emphasizes benefits to its donors. TNC talks about what it wants to accomplish in the interest of the greater good and how people can help in a way that benefits them (Sandler & Hudson 1998 p.88).



Benchmarking Marketing & Communication				
Level 1 “What’s Capacity?”	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Communications Strategy or Plan</b>				
Ha ha! Oh, you’re serious!?	<p>The organization has goals related to communications &amp; marketing but they are not formalized.</p> <p>No budget/ resources set aside for training or implementation.</p>	<p>The organization has a plan or strategy but it has not been updated for more than a year or the organization has a plan but refers to it infrequently.</p> <p>Money/resources are allocated for implementation.</p>	<p>Decision-making members have identified communications purpose and goals in alignment with the mission and a plan or strategy has been developed.</p> <p>Goals are reviewed on a regular basis to ensure they are being met.</p>	<p><b>There is a clear understanding of the purpose of communications &amp; marketing.</b></p> <p><b>There is participation throughout the organization to identify the purpose and goals of marketing efforts in relationship to the mission.</b></p> <p><b>The organization has a marketing plan or overall marketing strategy which matches the organization's need to communicate administrative, fundraising and program information to the public.</b></p> <p><b>It identifies what is to communicated (messages) to whom (target audiences), how (methods).</b></p> <p><b>Marketing goals are set to achieve clear outcomes to further the mission of the organization.</b></p> <p><b>Organization's collateral materials show consistency and accuracy in portraying organization's mission, activities and public information.</b></p>
Your Score: _____				

Level 1 “What’s Capacity?”	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>A Well-Recognized and Positive Brand</b>				
<p>Branding! That can get you tarred and feathered around here, you evil consumer! (You’ve never really talked about branding).</p> <p>We feel we’ve transcended the need to be judged by outward appearances.</p>	<p>Your organization is either not well-known to its target audience and/or the community and its image is lackluster.</p>	<p>Your organization is respected for being important to the community it serves and well recognized by its constituents. However, it is not clearly differentiated from other similar organizations.</p>	<p>The organization is respected by the community and has a well-recognized and differentiated brand. The organization regularly examines its place in the community.</p>	<p><b>The organization has a well-recognized and positive brand.</b></p> <p><b>It is respected by its constituents and the community-at-large as being effective in delivering its mission and important to the community it serves.</b></p> <p><b>The organization regularly evaluates how the community views the nonprofit. In other words, most people are aware of your organization and the work it does and consider the organization a positive contribution in the community.</b></p>

Your Score: \_\_\_\_\_

Level 1 "What's Capacity?"	Level 2 Some Level of Capacity	Level 3 Moderate Level of Capacity	Level 4 High Level of Capacity	Good Practices
<b>Targeted Messages and Methods</b>				
<p>Our audience is everyone because everyone can benefit from our messages/work.</p>	<p>There is a sense of who the audience/s are but unclear how to reach them.</p> <p>Messages may be general and tend to be negative in nature.</p>	<p>The audience has been clearly identified. Communication/marketing is occurring but the methods used have not been evaluated as best to reach the audience/s.</p>	<p>The audience has been clearly identified and research has been conducted into their needs and wants in order to tailor communications and programs to best reach them. Marketing/communications is consistent in message, aligned with the mission and uses a diversity of methods.</p> <p>Messages tend to be positive in nature.</p>	<p><b>Your organization has <u>specifically</u> defined the constituency who needs education, would be interested in your cause and/or can help you reach your cause (ie. the local community or the public is not specific).</b></p> <p><b>Research has been conducted to gain a better understanding of the needs and wants of each constituency segment and to tailor programs, services, and products to the needs of various constituencies.</b></p> <p><b>Marketing/communication efforts clearly communicate the organization's mission and funding needs. The organization uses a diversity of methods targeted to their audience.</b></p>

Your Score: \_\_\_\_\_