How to Ensure Sustainability of Nonprofit, Programs, People and Money

Sustainability often is misunderstood. It is more than generating enough money to keep paying the bills. True long-term, organizational sustainability for an organization involves four dimensions, including strategic, programs, personnel and finances. If sufficient attention is given to the first three dimensions of sustainability, then financial sustainability is much more likely to occur – and much easier to accomplish. The following guidelines help Board members ensure sustainability in each dimension.

Guidelines for Effective Board Oversight of Sustainability

If your Board uses committees, then an Executive Committee would be helpful in this area, especially if comprised of Chairs of other committees, because that form of Executive Committee is more likely to have representatives from each of the four dimensions of sustainability as listed below.

Strategic Dimension of Sustainability

1. **Ensure realistic vision and strategic goals for the organization.**
   If these are not realistic, then the organization will be trying to do too much. As a result, it will very likely run out of resources, including money and people.

2. **Ensure realistic strategies to achieve the vision and goals.**
   Even if the vision and goals are realistic, if the efforts to achieve them are unrealistic, then the organization will have the same problems as mentioned above.

3. **Modify the vision, goals and strategies to remain realistic when implementing plans.**
   One of the most important parts of a plans is often forgotten – procedures for how to change the plans. Consider extending deadlines to achieve goals or dropping them altogether if that is what it takes to ensure long-term sustainability.

Program Dimension of Sustainability

1. **Verify what clients truly need, versus what they only want – or programs will fail.**
   Clients will come to programs based on what they want, and they will stay based on what they need. If programs are not meeting the true needs of clients, then programs will fail. Consider basic market research to verify what the clients really need.

2. **Evaluate effectiveness and outcomes of programs to verify they are meeting needs.**
   Effectiveness is in regard to the quality of program's processes for delivering services as well as outcomes. Outcomes are in regard to the actual changes in clients as a result of participating in programs. Consider doing process and outcomes evaluations for each program.

3. **Change program methods, if needed, to improve quality in order to meet client needs.**
   Programs should undergo continuous improvement in order to remain effective. Listen to the opinions of the clients about the program. Consider results of program evaluations. Then make changes to the programs accordingly.

Personnel Dimension of Sustainability

1. **Ensure staff has sufficient expertise, training and resources to provide programs.**
   Even if the vision, goals and strategies are realistic and the programs are designed well, staff members have to continue to operate high-quality programs. Often, that is a matter of staff members having strong expertise, getting training and having sufficient resources.

2. **Ensure staff members are using all of their resources to provide programs.**
   This is a matter of effective supervision. Ensure there is effective delegation to staff members (setting goals, sharing feedback, adjusting performance) and evaluation of staff such that members are always doing their best.

3. **Ensuring redundancy and succession planning for staff in case people leave.**
   In a typical nonprofit, programs and other operations would be damaged significantly if involved staff members suddenly were no longer available. Ensure that key staff members have suitable “backup” personnel who also can do much of their jobs, and that guidelines and procedures exist for jobs, as much as possible.

Financial Dimension of Sustainability

1. **Identify how much funding (fees and/or fundraising) is needed to offset expenses.**
   Develop an annual budget and especially identify any deficits to know how much funding is needed, so that fundraising targets and/or fees can be adjusted accordingly to rid those deficits.

2. **Do adequate prospect research to identify *all* likely sources in fundraising.**
   Do not do the same fundraising activities, but even harder. For example, fundraising events often require a substantial amount of time and often do not generate much in funds. Research all sources among individuals, foundations, corporations and government.

3. **Allocate sufficient funding to administration and programs.**
   Know how much money each program needs. To do that, develop program-based, or functional, budgets. Those budgets identify the expected revenues and expenses associated with each program, along with a percentage allocation of overhead (expenses common to all programs, for example, the salary of the Chief Executive, facilities, costs, etc.) to each.

4. **Track expenditures and revenues to promptly address financial priorities and issues**.
   Make sure the numbers on the reports are accurate, via financial reviews and audits. Make sure more than one Board member is able to understand the finances. Two reports are useful in particular, a budget-versus-actual report and a cash-flow report.

5. **Follow policies to establish adequate reserves and to do contingency planning.**
   Establish a policy to set aside some percentage of your revenue, for example, 10% to be available in case of emergency. When budgeting, plan a couple of scenarios, one where all expected revenue arrives and another where, for example, only 70% of revenue arrives. Then, if there is a shortage of revenue, the nonprofit can reference the latter scenario to more quickly respond.