

Sample Capacity Building Plan 2018

Draft Rev 1.0

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Description

This Plan is the result of applying an organizational performance management process to our organization -- a process we started in mid 2017. The process includes the three phases described in the Free Management Library at <https://managementhelp.org/organizationalperformance/index.htm> . This Plan will be implemented during the calendar year 2018. Subsequent phases of the process (Performance Appraisal and Performance Development/Improvement) will be applied near the end of that year.

The performance goals for the year are specified in this Plan as the Action Plans depicted in this Plan. In accordance with the organizational performance management process, the plans were analyzed to ensure they were closely aligned with the strategic goals intended for the year 2018. Those goals, together, are intended to evolve the nature of the organization's internal activities from a start-up phrase of organizational development to a growth phase. (See <https://managementhelp.org/organizations/life-cycles.htm#example>.)

Board-Approved Outcomes for 2018

Organizational Outcomes to Achieve in 2018

The following recommendations are intended to evolve Organization ABC through the growth phase of organizational development into a mature phase. The following are not specific goals similar to what would be found in a Strategic Plan, and from which specific action plans follow directly. Instead, they are overall outcomes that should be achieved as a result of implementing the actions in this Plan. The outcomes are achieved through a wide variety of highly integrated actions.

1. Overall, the focus should especially be on strengthening internal systems to support sustainability and growth.
2. Board should evolve to more of a policy-Board that is continually focused on strategic plans and policies and with full participation of members.
3. Planning should be more regular and systematic, and focused on realistic and sustainable goals.
4. Different departments and teams should appropriately coordinate for increased collaboration and efficiencies.
5. Regular and routine activities should be proceduralized for reliability and efficiency (including for programs and supervisory activities).
6. Internal practices should developed to systematically obtain and retain sufficient resources (including revenue development/fundraising, sufficiently trained and compensated personnel, and succession planning for those personnel).
7. Performance management should ensure high-quality Board, staff and organizational operations (especially via standardized policies and practices).
8. Plans and progress should be regularly monitored for execution, status and communications (including between Board and staff).
9. Leaders should focus on managing change as much as on generating new ideas.
10. Organization ABC will achieve each of the above recommendations in accordance with all of the above-mentioned "Guiding Principles for During Change."

Guiding Principles During the Change

It is important for Organization ABC personnel to follow these principles as it implements the actions in this Plan.

1. Focus on what is needed to change, not on the way it has always been done before.
2. There is no blame – focus on plans, policies and procedures, and not on personalities.
3. See it as a process and not an event – it is rarely an “Aha!” moment, but rather is a journey.
4. Continually solicit input from Board and staff – and over-communicate all activities.
5. Build on what has already being done well. Those are your best assets.
6. Work from ongoing, specific plans and timelines – not from ongoing, good intentions.
7. Be willing to change plans as needed. Changing the plans when needed is not failure.
8. Continually communicate status to everyone. Bad communications stop change, not bad plans.
9. The most important element of change is leadership – the gadfly who constantly reminds everyone.
10. Celebrate successes along the way!

Selection and Management of Action Plans

Rationale for Committee-Driven “Work Plans” (Action Plans)

The selection and development of action plans should follow the principle that if you focus on the important stuff, the urgent stuff will take care of itself. The corollary is that when there is recurring urgent stuff, it’s because the important stuff wasn’t addressed.

For example, developing the important best practices in personnel management will eventually strengthen all of Organization ABC’s personnel practices that need attention, such as updating job descriptions, conducting annual employee appraisals, developing a formal compensation for all employees, conducting succession planning for all key roles, and conducting training for all supervisors.

Board committees conventionally have “work plans”, which essentially are “action plans” for the committees. The Board of Directors is the top-most authoritative role in a nonprofit corporation. So implementation of work plans is very powerful means to ensure implementation of the actions needed to implement best practices. When each committee is attending to its work plan, it is concurrently implementing the best practices – and eventually addressing the urgent issues – in its particular function.

Updating Each Committee’s Work Plan

The work plans included in this Plan are generic in nature, that is, they include the typical goals and objectives needed to ensure best practices in any type of nonprofit corporation. However, each organization should update the work plans to also address any needed best practices in the organization that otherwise would not be addressed by the implementing the general work plans.

To do so, each Committee chair should work with the Committee’s members to:

1. Consider which of missing best practices (from Appendix A) to implement in 2018, and then integrate those practices into the Committee’s work plan. Consider that many of the objectives will end up implementing various missing best practices.
2. Then associate start and stop dates for achieving each objective in the Committee’s work plan.

Categories of Action Plans

Board Development

The job of a typical Board committee is to ensure that best practices are implemented in its particular area, even though that committee might not do the hands-on work to do that implementation. This Board Governance committee should be chaired by the Board Chair and include someone else who has experience with a Board that has mature internal operations. Staff can be non-voting members of this Committee.

Goal 1: Install / update Board practices	Start	Stop	Responsibility
1. Ensure each Committee has a work plan with goals and objectives			Board Gov. Committee
2. Board approves updated annual Board calendar of when to do regular Board duties and responsibilities			Board
Goal 2. Ensure Board is fully resourced to govern			
1. Review and update Board staffing policies to recruit and select new Board members with expertise to achieve the organization's goals			Board Gov. Committee
2. Identify, nominate and select new Board members			Board Gov. Committee
3. Ensure all Board members receive Board orientation about our organization's practices			Board Gov. Committee
4. Ensure all Board members receive Board training about roles of a fiduciary Board			Board Gov. Committee
Goal 3. Ensure full participation and dedication of all Board members			
1. Ensure all members are on at least one Committee			Board Gov. Committee
2. Ensure Board attendance policy is enacted			Board
3. Ensure conflict-of-interest policy is enacted			Board
Goal 4. Ensure all Board meetings are highly focused and strategic			
1. Ensure strategic Board agendas with times per topic			Board Gov. Committee
2. Ensure meeting materials are provided at least one week before full Board meetings			Board Gov. Committee
3. Ensure meetings are evaluated			Board Gov. Committee
Goal 5. Ensure Board leadership rigorously coordinates Board activities			
1. Ensure Executive Committee monitors implementation of each committee's work plans			Board Gov. Committee
2. Provide ongoing guidance and support to ensure an effective Chair and Committee Chair positions			Board Gov. Committee
3. Ensure Board operates according to its policies			Board Gov. Committee
Goal 6. Ensure continuous improvement of the Board			
1. Conduct Board evaluation once a year			Board Gov. Committee
2. Develop updated Board Development Plan based on evaluation results			Board Gov. Committee
3. Update Board policies, including bylaws, based on evaluation results			Board Gov. Committee
4. Conduct Board retreat focused on improving results			Board Gov. Committee

Financial Management

This Committee is chaired by the Board Treasurer. Staff can be non-voting members of this Committee.

Goal 1: Ensure conformance to relevant laws	Start	Stop	Responsibility
1. Ensure annual audit (if budget amount requires it)			Finance Comm.
2. Accept auditor's findings, with Board approval			Board
3. Ensure audit results are integrated in practices			Finance Comm.
Goal 2. Ensure accurate and efficient financial management practices			
1. Review and update fiscal policies and procedures			Finance Comm.
2. Get Board approval of new policies and procedures			Board
3. Orient relevant personnel re: policies & procedures			Finance Comm.
Goal 3. Ensure all Board members and key staff can understand financials			
1. Identify typical decisions made from financials			Finance Comm.
2. Train members about what financial information to expect, and how to make those decisions from that information			Finance Comm.
Goal 4. Ensure ongoing financial sustainability			
1. Ensure annual operating budgets based on the results of current strategic and program planning			Finance Comm.
2. Generate budgets for each major program			Finance Comm.
3. Get Board approval of budgets			Board
Goal 5. Ensure effective ongoing and useful reporting			
1. Generate statements of financial activities and position at least quarterly (and also cash flows as needed)			Finance Comm.
2. Ensure Board members' effective review of the statements			Board
3. Get Board approval of statements			Board
Goal 6. Ensure sufficient protection of all assets			
1. Ensure annual risk assessment of major assets, e.g., of cash and property via sound fiscal controls and insurance			Finance Comm.
2. Provide risk assessment report and strategies for protection to assets			Finance Comm.
3. Get Board approval of report			Board
4. Ensure strategies for protection are implemented			Finance Comm.

Fundraising

Note that the Fundraising Committee should not do all of the fundraising. Rather this Committee ensures that fundraising is done with a planful, strategic and systematic approach that looks at all sources of funds, rather than with the same few, often unproductive approaches. This Committee also ensures that all members of the organization are engaged in fundraising, not just a few. Staff can be non-voting members of this committee.

Goal 1: Identify fundraising target	Start	Stop	Responsibility
1. Work with Finance Committee to identify projected deficits in the budget			Fundraising Comm. and Finance Comm.
2. Draft fundraising target (financial goal) to be raised during the year.			Fundraising Comm.
3. Get target approved by Board			Board
Goal 2: Conduct prospect research	Start	Stop	Responsibility
1. Research the typical fundraising results of organizations with similar programs in similar locales			Fundraising Comm.
2. Identify percentage of funds expected from the categories of individuals, foundations, corporations and/or government			Fundraising Comm.
Goal 3: Identify specific potential donors	Start	Stop	Responsibility
1. Research likely specific donors to approach in each of the four categories			Fundraising Comm.
2. Understand each donor's preferred procedure for being approached			Fundraising Comm.
Goal 4: Specify actions to approach funders	Start	Stop	Responsibility
1. Identify who will approach each donor, how and when			Fundraising Comm.
2. Ensure Board members and key staff are trained about how to appeal to donors			Fundraising Comm.
Goal 5: Verify administrative support	Start	Stop	Responsibility
1. Identify procedures for tracking solicitations, donations, grant requirements, reports to donors, etc.			Fundraising Comm. and key staff members
2. Identify staffing and computer requirements to administrate donations			Fundraising Comm. and key staff
3. Ensure staffing and computer resources are adequate			Fundraising Comm. and key staff
Goal 6: Establish Fundraising Plan	Start	Stop	Responsibility
1. Draft Fundraising Plan			Fundraising Comm.
2. Approve Fundraising Plan			Board
3. Monitor implementation of Plan			Board

Personnel / Staffing (Paid and Volunteer)

Almost all of the activities of a Personnel Committee in overseeing best practices in paid staffing also apply to those in volunteer staffing, other than compensation, in which case, volunteers would be rewarded, for example, by recognition. Staff can be non-voting members of this Committee, but should be recused during discussion about compensation and the CEO's performance evaluation results.

Goal 1: Ensure annual staffing analysis	Start	Stop	Responsibility
1. Ensure the roles and responsibilities are best for achieving current strategic goals			Board Pers. Committee
2. Update job descriptions and organization chart			Board Pers. Committee
3. Board approves job descriptions and chart			Board
Goal 2. Ensure fair and equitable performance management practices			
1. Ensure performance goals for all key staff positions			Board Pers. Committee
2. Establish procedure to evaluate performance against job descriptions and goals			Board Pers. Committee
3. Board approves top-level goals and procedure			Board
4. Ensure annual performance reviews for all staff			Board Pers. Committee
Goal 3. Ensure fair and accurate evaluation of the CEO			
1. Ensure job description is up-to-date			Board Pers. Committee
2. Recommend this year's performance goals for CEO			Board Pers. Committee
3. Get performance input from members and CEO			Board Pers. Committee
4. Draft performance review to CEO and Board			Board Pers. Committee
5. Conduct performance meeting with CEO			Board Pers. Committee
6. Board approves final performance review			Board
Goal 4. Ensure fair and equitable compensation practices			
1. Select overall compensation basis (e.g., base pay, merit, combination, etc.) for all positions			Board Pers. Committee
2. Set compensation ranges for all positions			Board Pers. Committee
3. Identify how compensation is determined for roles			Board Pers. Committee
4. Board approves compensation system			Board
Goal 5. Establish up-to-date Personnel Policies			
1. Update policies to include any new performance management and compensation systems			Board Pers. Committee
2. Get policies reviewed and updated by law expert			Board Pers. Committee
3. Update Personnel Policies Manual			Board Pers. Committee
4. Board approves new Manual			Board
5. Ensure all staff review and comply with policies			Board Pers. Committee
Goal 6. Ensure ongoing coaching and support of CEO role			
1. Meet regularly with CEO about current priorities, especially professional development goals & status			Board Pers. Committee
2. Ensure CEO has sufficient resources and support to be effective in that role			Board Pers. Committee

Strategic Planning

The Board Strategic Planning Committee is typically an ad hoc (temporary) Committee. It is chartered to guide and oversee the planning and development of the strategic planning process and the resulting Strategic Plan document. Thus, the Committee does not have a conventional work plan with annual recurring goals and objectives. Rather, it makes sure that certain questions are addressed in order to ensure a high-quality planning process.

The Committee does not do all of the strategic planning, that is, it does not do the planning that produces the goals in the Plan. Instead, the Committee ensures that the planning process itself is high-quality. This will become more clear by looking at the types of goals for the Committee.

Questions Addressed by the Committee When Customizing the Planning Process

The Committee ensures that the following questions are answered even before planners suggest goals to be included in the Strategic Plan.

- Are we really ready for strategic planning?
- Why are we doing strategic planning now? Rank the reasons
- What is the scope of our plan? Organization-wide, or on certain programs, what?
- What strategic planning model/approach might be used? Goals-based? Issues-based?
- How will we work together to make decisions? Consensus? Then vote?
- What is the time span of the plan?
- What is the schedule for developing plan? When does it need to be approved?
- Who will be involved from our nonprofit? How? When?
- What outside help might we need? When? How get it?
- What materials are needed? When? How get them?
- Are there any specific conventions for terms? “Mission”? “Goals”? “Objectives”? “
- Did our planning work before? Yes? No? If not, what will we do differently now?
- How will we get “buy in” to the process now?
- How will the planners be trained about strategic planning?

Grand Timeline for 2018

This is a sample grand timeline for scheduling completion of the goals of each Board committee’s work plan. Each Committee’s Chair should ensure that each objective (associated with each goal in the work plan) has an associated start and stop for achieving that objective. Those dates can be referenced to complete this grand timelines. The Board Governance Committee should ensure that this timeline is completed.

Areas of Committee Goals	M	A	M	J	J	A	S	O	N	D
Board Governance										
Install / update Board practices										
Ensure Board is fully resourced to govern										
Ensure full participation of members										
Ensure meetings are highly focused and strategic										
Ensure Board leadership coordinates activities										
Ensure continuous improvement of Board										
Finances										
Ensure conformance to relevant laws and rules										
Ensure accurate and efficient financial management										
Ensure all Board members can understand financials										
Ensure ongoing financial sustainability										
Ensure effective ongoing useful reporting										
Ensure sufficient protection of major assets										
Fundraising										
Identify fundraising target										
Conduct prospect research (likely types of donors)										
Identify specific potential donors from those types										
Specify actions to approach specific donors										
Verify suitable administrative support										
Establish Fundraising Plan										
Personnel										
Ensure annual staffing analysis										
Ensure fair and equitable performance management										
Ensure fair and accurate evaluation of the CEO										
Ensure fair and equitable compensation practices										
Establish up-to-date Personnel Policies										
Ensure ongoing coaching and support of CEO role										

Appendix A: Best Practices Needing Implementation

The letter next to each item below corresponds to its designation in the original organizational assessment questionnaire that was used to detect if the practice was implemented or not.

Board of Directors

- c. Board conducts succession planning to replace the CEO if needed.
- d. Board ensures strategic planning that results in clear strategic priorities.
- e. Status of implementation of the strategic plan is monitored regularly.
- h. Board receives regular training about legal roles and responsibilities of a Board
- j. Board has certain committees and each corresponds to a strategic priority / issue.
- l. Each Board member has a Board operations manual and is aware of its contents.
- u. Board has an annual calendar of meetings, which specifies, e.g., planning, CEO eval, etc.
- v. Board enacts Board member attendance policy.
- w. Each Board meeting has written agenda with topics, needed actions and times per topic.
- z. Board sets fundraising goals and is actively involved in fundraising.
- aa. All Board members contribute financially to the organization.
- ee. All Board members and committees actively and consistently participate.

Financial Management

- i. Organization reconciles all cash accounts monthly.
- j. Board monitors that it is receiving appropriate and accurate financial information.
- k. If the organization has billable contracts, procedures are established for periodic billing.
- n. Persons employed on a contract basis meet all federal reporting requirements.
- o. Organizations that purchase and sell merchandise take periodic inventories.
- p. Organization follows a Board-approved written fiscal policy and procedures manual.
- q. Organization has documented a set of internal controls for handling cash.
- t. Organization has a written policy related to investments.
- u. Capital needs are reviewed annually and priorities are established.
- v. Organization has established a plan in the event of reduction or loss in funding.
- w. Organization has established, or is actively trying to develop, a reserve of funds.
- x. Organization has suitable insurance coverage which is periodically reviewed. (B)
- y. Board and staff members who handle cash and investments are bonded.
- aa. Organization reviews income annually to report unrelated business income to IRS.
- dd. Board or an appropriate committee is responsible for getting bids and hiring auditor.
- ee. Board or an appropriate committee reviews and approves the audit report and letter.
- gg. All Board members are trained to understand financial information and make decision from it.

Fundraising

- b. Organization works from a Board-approved Fundraising Plan.
- c. Fundraising Plan includes diverse sources, e.g., individuals, foundations, corporations and government.
- d. Board and staff are knowledgeable about the fundraising plan and their roles in it.
- e. Board has established a committee charged with developing and overseeing the plan.
- f. Committee is actively involved in the fundraising and works to involve others.
- g. Fundraising is staffed and funded at a level consistent with fundraising expectations.
- h. There are direct communications and relationships between fundraising and marketing.
- i. Organization is accountable to donors via regular reports about uses of their donations. (B)

Personnel / Staffing (Paid)

- d. Organization has up-to-date job descriptions for each employee and each knows the job.
- g. Organization requires document employee performance appraisals at least annually.
- h. Organization has a formal compensation system for all employees.
- i. Organization does succession planning for key staff roles.
- j. Organization has a process for collecting and responding to ideas from all staff.
- l. Organization maintains contemporaneous records documenting staff time in programs.
- m. Workload is effectively delegated to the most appropriate staff.
- n. Staff morale is high and stress levels are manageable.
- o. All staff who be affected by a major decision have an opportunity to provide input.
- p. Various units (departments, programs, etc.) regularly review which other units they should collaborate with and how to do so efficiently.
- q. Training is regularly conducted for supervisors, including about policies for effectively staffing and employee performance management.
- r. Supervisors promptly attend to performance issues when they arise and the performance improves over time.

Personnel / Staffing (Volunteers)

- a. Organization has a clearly defined purpose of the roles in the organization.
- b. Job descriptions exist for all volunteer positions in the organization.
- c. Organization has a well-defined and communicated volunteer management plan.
- e. Organization provides appropriate training and orientation to volunteers.
- g. Organization does volunteer performance appraisals.
- h. Organization does some type of formal volunteer recognition.
- i. Organization has a process for reviewing and responding to ideas from volunteers.
- j. Organization provides opportunities for program participants to volunteer.
- k. Organization maintains contemporaneous records documenting volunteer time.

Strategic Planning

- c. Board and staff periodically review the mission statement.
- e. Organization has very useful vision statement.
- f. Board and staff develop and adopt a relevant and realistic written strategic plan.
- g. Board, staff, service recipients, volunteers, key constituents participated in the planning.
- h. Plan is developed by researching opportunities and threats in the external environment.
- i. Plan is developed by assessing the strengths and weaknesses inside the nonprofit.
- j. Plan identifies the most critical strategic priorities facing the organization.
- k. Plan sets specific goals and measurable objectives that address those critical priorities.
- l. Plan integrates all the organization's activities around a focused mission.
- m. Plan prioritizes the goals and develops timelines for their accomplishments.
- n. Plan establishes indicators towards achieving each of the goals in the plan.
- o. Through action plans, human and financial resources are allocated implement the plan.
- p. Plan is communicated to all stakeholders of the organization.
- q. Board and staff regularly monitor the status of implementation of the strategic plan.
- r. Strategic plan is realistic and suits the culture and limitations of the nonprofit.