

Sustainability Review

Every nonprofit board, with the support of the organization's leadership, should conduct a basic assessment to be assured that the nonprofit is operating legally and effectively. A current assessment is valuable at all times – it contributes to board and staff knowledge, it's useful for strategic planning, and it's essential in preparing for an executive transition. This is an example of how effective succession planning and overall good governance are often fully aligned.

It's most effective to assess the organization in conjunction with gathering and inventorying information for the CEO Checklist as there is significant overlap between these two. The tables in the CEO Checklist act as a guide to the various areas in your assessment and they can be supplemented with the suggested questions below. Often an assessment is conducted through conversational interviews addressing the same topics with several stakeholders who hold different perspectives. The assessment work can be spread across a team that may include the CEO, Board Chair, Transition Chair, Governance Committee Chair, or Treasurer, with staff support as needed.

Once you've completed the assessment, what do you do with the results? This depends, of course, on your findings.

- If you find that the operations are running smoothly, keep the copies of your work to be used as the basis for your next review in another 1-2 years. Note questions that were raised or expectations for change so that the next team that does the assessment has the benefit of your effort.
- If you do find areas needing improvement, put these in a priority order and create plans to address the issues. Prioritization may be done by safety, risk (financial, programmatic, competitive, or otherwise), impact, or by another factor relevant to your organization. Often prioritization itself is a good discussion to hold with the full board. Then create plans to address any issues. These actions may be immediate for critical issues, or they may roll out over several years. The full board should be able to add their perspective and approve any implementation plans.

The areas of assessment, presented in the same order as the CEO Checklist, are listed below along with suggested questions for each area. Because each organization differs, however, you may need to modify the questions to better fit your organization.

The first time you walk through this assessment work, it may feel overwhelming. You can always

prioritize the sections and start with those that feel most relevant to your organization. And you can always seek outside assistance to help this assessment.

Nonprofit Information

- Are our organization's official nonprofit documents (e.g. 501(c)3 status, state registrations, solicitation of contributions registration, bylaws) up-to-date, inventoried and in a known location?

Financial Information

- Does our organization's budget appropriately reflect our mission and priorities?
- Are financial reports reviewed on a regular basis? Are reports shared with the board and staff leadership team? Can the board read these reports and understand the financial strength of our organization? Does the board look at financial trends over multiple years?
- Are there financial controls so that transactions are seen by multiple people?
- Are budgets in place for program staff? Did staff participate in the development of their budgets? Is fiscal performance monitored against their budgets?
- Where are the financial risks for the organization? Is it ever hard to make payroll or cover rent? Are restricted funds kept separately from unrestricted funds? If there is debt, is there a plan to pay it down?
- Are there capital and operational reserves?
- Is all the information inventoried and in a known location?

Facilities

- Are there any challenges with facilities? If so, is there a plan in place to overcome these?
- Is preventative maintenance being done or is repair work reactive only to a crisis?
- Are facilities well-matched to their use? (e.g. tutoring is not held in the gym) Is space of the appropriate size for its uses?
- Is the organization located in the right location to best serve our clients?
- Is all the information inventoried and in a known location?

Personnel

- Are personnel files kept up to date with all relevant information?
- Is all the information inventoried and in a known location?

CEO

- Is the current CEO an effective leader? (Consider board and staff perspectives). Has the CEO consistently met his/her goals?
- Does the CEO delegate effectively and hold people accountable?
- Has the CEO fostered a productive, cohesive work environment?
- Does the CEO work well with the board chair, the board and board committees?
- Does the CEO communicate effectively and transparently with the board, assuring appropriate knowledge of all strategic and critical issues?
- Is the CEO a visible leader in your community? Does he/she inspire and motivate people?
- Is the CEO's compensation package competitive at market rates?
- Does the board review the CEO's performance annually?
- Is the CEO the primary keeper of corporate knowledge or can it be easily accessed by those with appropriate authority?
- Is there a succession plan in place? If so, is it current?

Leadership Team and Staff

- Are members of the staff leadership team effective in their respective roles? Do they manage their teams well? Do they work well together?
- Does the organizational chart properly reflect the needs of the organization?
- Are there job descriptions for employees? Do employees understand their individual roles and responsibilities and how they relate to others in the organization?
- Are all positions filled? Are turnover levels acceptable or problematic?
- Is there equity and diversity in staffing?
- Has staff received the training they need?
- Is there a general feeling that the staff works and identifies as a team?

- Are performance reviews conducted regularly?
- Are compensation packages competitive at market rates?

Communications – Internal

- Are internal communications handled effectively? Do staff feel well informed?
- Is all the information inventoried and in a known location?

Services & Programs

- Do all services and programs help deliver the organization’s mission?
- Is there effective oversight of program staff and outcomes?
- Are services and programs evaluated on a regular basis? Are outcomes measured?
- Is all the information inventoried and in a known location?

Board

- Is there a Governance Committee? Are board members recruited strategically to meet the needs of the organization? Is there a pipeline of potential new board members? Do board members represent the right constituencies? Are diverse perspectives represented?
- Do board members receive a thorough board orientation? Do they understand and agree to the board expectations?
- Are board members well informed and do they participate in discussion, deliberation and decision-making? Do they hold the CEO accountable?
- Do board members understand the organization’s finances? Are the finances reviewed and discussed regularly? Is board attendance consistent? Are there ever problems getting a quorum?
- Is the majority of time in board and committee meetings used productively in strategic decision-making?
- Are the board committees functional and effective? Are their roles and responsibilities defined and understood? Are there sufficient people on each committee?
- Is there a current strategic plan? If so, is it being implemented?
- Is all the information inventoried and in a known location?

Fund Development

- Does the board participate in fund development?
- Do all board members meet their personal financial commitments to the organization?
- Is revenue from the various sources sufficiently diversified? Are multiple, diverse fundraising methods being used? What is the percentage of unrestricted revenue? Are there any funding sources at risk? If your organization holds fundraising events, what is the net income from these (including staff time)?
- Are all donor and funder activities recorded in database and used to measure results? Is this data used to proactively plan fund development actions?
- Is all the information inventoried and in a known location?

Marketing / Communications – External

- Does marketing material accurately and attractively represent the organization? Is it up to date?
- Does the organization actively communicate with a planned, coordinated schedule using a variety of methods appropriate to reach the organization's various target audiences (e.g. newspapers, website, social media, publications, personal outreach) to achieve strategic outcomes? (e.g. increased awareness, fund development)
- Are the marketing/communications plan and strategies evaluated to determine their effectiveness? If so, are these reviewed and updated to respond to current realities?
- Do board and staff have and use a consistent and up-to-date set of talking points about the organization and/or the issues you address?
- Is all the information inventoried and in a known location?

Information Technology

- Does technology help or hinder staff? Are in-office IT services adequate? (e.g. phones, internet access) Are your mobile IT services and hardware adequate? (e.g. service plans, storage)
- Are passwords changed regularly?
- Are staff members properly trained to use technology as needed in their respective roles?
- Is data backed up effectively in a safe and secure location?

- Is all the information inventoried and in a known location?

Volunteers

- Do volunteers receive sufficient training to be helpful and comfortable in their work? Are they reliable?
- Are volunteers sufficiently linked to the mission to receive intrinsic satisfaction from their work? This can be considered by looking at how often they return, if they bring new volunteers in, their comments, etc.
- Are volunteer records documented, inventoried and in a known location?

Security & Safety

- Do staff, clients, volunteers and any other visitors feel physically safe in the organization's spaces? At all times?
- Do staff, clients, volunteers and any other visitors feel comfortable, welcomed and protected in the organization's spaces?
- Are the organization's assets safe and secure?
- Does the organization have sufficient insurance? (e.g. D&O, liability, vehicle)
- If there are jobs with specific risks, are there certification requirements for staff? Volunteers?
- Is all the information inventoried and in a known location?