Sustaining Grassroots Community-Based Programs: A Toolkit for Community- and Faith-Based Service Providers

1 Introduction

"We have a responsibility to our program recipients; they've had so many losses in their lives and for us to come in for a year or two or three and give them hope, only to have the program go away, we've just caused another loss and a further loss of hope in their lives."

—Akerlund 2000

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
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Foreward

The Next Door: A Grassroots Success Story

Sustainability—Money will follow Mission

The foundation of The Next Door, Inc.'s development strategy is that "Money will follow Mission." The growth of the organization is based on a clear and passionate awareness of the importance of developing strategies to accomplish the mission of "meeting the physical, emotional, and spiritual needs of women in crisis, equipping them to develop lives of wholeness and hope." The Next Door's staff and volunteers believe that when donors, community partners, and volunteers understand the organization's mission and see its focus and passion for the mission, the response in providing both financial and volunteer resources will sustain the current work and provide for ongoing growth.

The Next Door, Inc. began in the Spring of 2002 when a group of concerned women in Nashville's First Baptist Church came together with a desire to use a building owned by the church as a vehicle for service to the less fortunate. These women became better known as the "Wild Group of Praying Women," and the number of women involved increased rapidly. A community needs survey during the summer of 2002 revealed a significant gap in services to the less fortunate in Nashville in the area of transitional housing for women, particularly those coming out of incarceration.

Based on the results of the community needs assessment and the original desire to serve the less fortunate, the founding group formed a nonprofit organization named the Downtown Ministry Center, Inc. and a program named "The Next Door" not only to provide transitional housing to women ex-offenders, but also to help in their efforts to develop a productive lifestyle based on healthy values and good role models. The original name of the organization was changed to The Next Door, Inc. to help convey the importance of the underlying program and its success in helping residents with an array of services beyond just housing, including counseling services, co-occurring disorder groups, assistance finding and keeping jobs, life skills, moving into permanent housing, reuniting with families, and staying out of jail.

It is important to understand that on the front end, the new organization had little money and minimal experience with women in crisis or addiction. However, they had great passion about their mission and a deep commitment to providing the finest services to women reentering society from incarceration. They set out to provide the most outstanding services possible to give each woman the greatest opportunity for success, and in less than 2 years, The Next Door grew to a project of community-wide interest. It now has the capacity to serve as many as 50 single women in the original downtown location and 20 single women and their children at the new Freedom Recovery Community, an apartment complex opened in the summer of 2007.

The Development Team uses three specific strategies to seek both current and future resources to sustain the organization: partnership, focus, and passion.

Partnership

The Next Door Development Team believes that people and communities are incredibly generous and are looking for meaningful ways to invest time and resources. The team seeks broad-based support based on donors responsive to The Next Door's mission. The secret, if there is one, is to be ready to tell the organization's story with clarity and passion in 60 seconds. The courageous stories of The Next Door's residents are compelling, and one goal is to communicate these stories to as many audiences as possible.

The organization's diverse funding partners include private individuals, foundations, congregations, corporations, and government. The goal is to seek and invite as many segments of the philanthropic community as possible to invest in the work but not to become dependent on any one or two sources of funding. Donations, whether from individuals, congregations, or corporations, and grants, whether from private foundations or government agencies, are not entitlements. Donors to The Next Door recognize that funds received are blessings and that each gift comes with a high level of expectation of responsibility and accountability. The organization strives to exceed donors' and granters' expectations in order to earn their partnership and respect in the form of "repeat gifts."

Focus

The program's architects and managers believe that individual donors and other funding partners will be moved to invest in The Next Door by its organizational focus: on the mission, on providing quality services, and on achieving excellent outcomes.

The Next Door is fortunate to have an amazing team that is focused on building caring relationships combined with excellence in services. The book, *Good to Great*, emphasizes the need to get the right people on the bus and in the correct seats. The Next Door started with one paid staff person with a complement of 200+ volunteers. Today, it employs 15 team members and has over 500 volunteers, each of whom is committed to the core values of the organization: community, faith, wholeness, respect, encouragement, and hope.

Passion

Everyone connected with The Next Door is passionate about its mission and about telling the story of the needs of women in crisis, their families, and community for recovery transformation, and hope. Current and former residents are the greatest assets in telling the story of the needs of women and families, and they inspire the passion that the program tries to convey in its message to supporters and potential supporters.

The dream is being lived at The Next Door. Program staff and volunteers routinely see lives transformed and families restored. The program's leaders and volunteers agree: "It just does not get any better than that!"

The volunteers who operate St. Agnes Recovery Center, a storefront operation that provides a safe place for recovering people to gather with others in recovery, felt nervous when told they should learn about sustainability. They were afraid they wouldn't understand what "the experts" were talking about. Once they found out sustainability meant planning for the future, they breathed a sigh of relief.

In the sustainability training, it became clear they wanted to achieve the same goals in their small volunteer organization that the "experts" wanted for them. They just used different words. When they found out that sustainability meant what they had been calling long-term survival, they became highly motivated to learn. Before long, talk of sustainability was second nature.

1 **Introduction**

2 Organizational Assessment and Readiness

3 Effective Marketing Strategies

4 Financial Management

5 Sustainability Strategies: Fund Development and Fund Raising

6 Results-Oriented Evaluations

Today, grassroots community- and faith-based treatment and recovery providers are concerned about sustaining critical services for individuals and families affected by substance abuse and mental health disorders. Time-limited grant funding and categorical funding streams leave grassroots organizations in a constant scramble to find funds and pay rent, utilities, salaries, and program expenses. Relying on grant awards and contracts alone will not ensure a future for such organizations: Once those funds are gone, critical services for clients may cease to exist. Again and again, organizations that rely on funds from grants and contracts come back to the same question: "How do I find the resources to sustain and support my program services over time?"

Long-standing and well-established community organizations usually have resources and revenue to employ either a fundraising or fund development professional to seek out funding opportunities. Grassroots organizations, with meager budgets and volunteer staff, don't have so many resources, but can nevertheless attract diverse funding partners. An outstanding success in sustaining a program is The Next Door, a Nashville church-based organization providing services to women in crisis. The Next Door's strategies for ensuring longevity are described in the foreword to this document.

Sustainability is the capacity of an organization to achieve long-term success and stability and to serve its clients and consumers without the threat or loss of financial support and the quality of services. Sustainability is about maintaining and continuing program services after a funding period is over and ensuring that the organization has become a permanent part of community resources.

Building a foundation for the long-term growth and health of an organization is critical. The stability of a house depends on the strength of its foundation.

The same holds true for grassroots, nonprofit organizations. Sustainable community organizations have solid, strong foundations. Organizations need healthy, realistic, and effective organizational structures; sustainable plans or strategies; solid and continuous financial support; adequate and qualified staff; and ongoing effective strategies for marketing and fund development.

Good sustainability plans help developers of programs and initiatives clarify where they are and where they want to go. Such plans help policymakers, opinion shapers, leaders, and investors decide how and why to get on board. They help key audiences understand what the initiative is and why it is needed. Sustainability plans also give program managers a roadmap for where they are going and the benchmarks for determining whether they are successfully reaching goals.

Establishing strong sustainability strategies begins with a clear, sensible, and convincing strategic plan—one that focuses on the entire organization. Such strategies do not result from a one-time process near the end of a grant cycle, nor do they hold an organization over until the next funding crisis. Rather, effectively planning for sustainability involves building competencies into ongoing planning and operations that lead to success and stability over time and a clear concept of how to address the critical needs of a program.

In 2007, the Substance Abuse and Mental Health Services Administration (SAMHSA) recognized the need to develop a training and technical assistance initiative to assist small grassroots organizations with developing strategies for building capacity and planning for long-term sustainability and success. SAMHSA conducted 20 training and technical assistance meetings that focused on several critical elements of sustainability:

- Proper structure
- Organizational capacity and readiness
- Capacities of leadership
- Effective marking strategies
- Fund development
- Fiscal management
- Program evaluation

These topics serve as the training focus of this toolkit.

This toolkit is designed to help grassroots community- and faith-based organizations develop sustainable organizations and program services. The toolkit provides helpful information to guide sustainability planning efforts, samples of tools, and actual fill-in-the-blank "planning templates" and worksheets.

The toolkit is organized in six, stand-alone, how-to components:

- Introduction
- Organizational Assessment and Readiness
- Effective Marketing Strategies
- Financial Management
- Sustainability Strategies: Fund Development and Fund Raising
- Results-Oriented Evaluations

Each component provides strategic, practical, and useful information to begin the sustainability planning process.

Strategic Planning Process

The strategic planning process provides a systematic way for an organization to express its vision, describe its values, state or update its mission, develop and accomplish short- and long-term goals, identify strengths and weaknesses, set goals and timelines, and track progress. The process can be used as a roadmap for the organization—one that articulates the way in which an organization will operate and the direction that it will take during the next several years.

Strategic planning brings together all parts of the organization, including board members, managers, staff, collaborative partners, advisory members, and community members. Input from these members, from the beginning, ensures that each member has every piece of information and every opportunity to have input to accomplish the goals and tasks specified in the plan.

Types of Strategic Planning Processes

Several types of strategic planning processes exist:

- **Goals-based strategic planning** is probably the most common type. This process focuses on an organization's values, vision, and mission. It sets goals to achieve when working toward a mission, identifies strategies to achieve the goals, and plans actions for those involved—that is, who will do what to or with whom and by when.
- **Issues-based strategic planning** examines issues facing an organization and focuses on strategies and action plans to address those issues.
- **Organic-based strategic planning** considers an organization's vision and values and then focuses on action plans to achieve the vision and adhere to the values.

Components of a Strategic Plan

Several key components go into the design and development of a strategic plan. Here are some examples:

- Mission and vision statement—the driving purpose of your organization
- Goals—the anticipated results
- Objectives—measurable outcomes to accomplish goals
- Strategies—action steps and timelines to reach objectives
- Budget—revenue and expenditures
- Operating plan—the goals and objectives to be met during the coming year
- Financial reports—for example, the financial statement from the previous year

Strategic plans vary in length and scope. Some are 1 year or 3 years in length, but other plans may look ahead 10 years. Some plans include only top-level information, and others may not contain action plans. Some plans are short, perhaps only five to eight pages, but others may be considerably longer.

Conclusions

Your organization is never too small to begin sustainability planning or to have a strategic plan. The strategic plan is your organization's roadmap to a long life. The plan builds on the vision and mission that is shared by the board and staff. The strategic process provides an opportunity for board members, managers, and staff to evaluate the organization's mission, determine a strategy to advance that mission, and develop realistic goals to sustain services for the future.

Determining organizational readiness is the next step of this process. An organizational assessment provides feedback on the efficacy of your organization's operations—that is, what systems are working and what systems are not. This topic is covered in the next booklet, *Organizational Assessment and Readiness.*

At the end of this booklet are worksheets and samples that can be used to help you with the process.

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World Commission on Environment and Development. *Our Common Future.* Oxford, UK: Oxford University Press, 1987.

Links To More Information About Sustainability

- Econpapers: http://www.econpapers.repec.org
- Ecospeakers: http://www.ecospeakers.com
- FundSERV, Inc.: http://www.fundserv.com
- Hawthorn Press: http://www.hawthornpress.com

Further Reading

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Handout 1A

Sustainability Action Plan

This handout can help you understand the stages in ensuring, from the beginning, that your organization builds in sustainability planning. You can use these action steps as guidelines for your work. Sustainability plans should cover 1–3 years.

Plan Component/Method	Action Steps	Timeline
Assess Your Organization's Capacity for Sustainability	• Conduct an organizational assessment • Use SWOT analysis (strengths, weaknesses, opportunities, and threats) • Develop or examine your mission, vision, values, goals and objectives, and governance/leadership	Months 1–3
Develop a Vision, Mission, and Case for Support	• Develop a vision and mission statement (for new programs) • Revisit mission to determine the need for changes and update it to reflect additional program services (for established programs) • Identify the need for program enhancements • Create internal staff team to guide planning process • Discuss with staff and community members why this program is needed, who will benefit, and why your organization is the best organization to undertake it • Identify and talk with other community leaders who might share a common or similar vision/mission	Months 1–3
Identify Goals and Objectives	• Identify goals and objectives (for new programs) • Revisit goals and objectives to determine if they are still appropriate to carry out your mission (for established programs) • Expand or change goals to reflect mission and new priorities • Set timetables for reaching goals	Months 1–3
Assess Funding Gaps	• Estimate total amount of funds needed for program enhancements or new projects • Assess available resources • Identify current resources • Identify other sources of funding, including "in kind"	Months 2–4
Research and Identify Potential Stakeholders	• Ensure that your programs and services, new enhancements, and/or projects are consistent with community priorities or community issues and concerns • Solicit ideas from other agencies, schools, and faith-based communities who might share interests with your program • Select a team of helpful community members, agency representatives, and business people to act as an advisory committee	Months 1–3

Plan Component/Method	Action Steps	Timeline
Develop Strategic Marketing Strategies for Potential Stakeholders	• Use outcome data and results of a program evaluation to market the success of your program • Use marketing communication vehicles, such as advertising, brochures, newsletters, Web sites, and voice mails • Develop, if possible, different marketing materials for different audiences • Develop a statement for support—that is, a written statement about why potential partners should support your case	Months 2–5
Initiate and Establish Strategic Relationships with Potential Stakeholders	• Determine the best strategic partnerships and key community leaders to involve • Determine appropriate level of support needed from partners • Engage community leaders • Build connections and networks with potential local, State, Federal, and foundation funders (serve as community advocates or on advisory committee) • Look for established agency and community partnerships • Develop an advisory team composed of influential members of the community to champion your cause • Make your organization known to legislators and congressional staff	Months 4–6
Analyze Program Costs and Develop Fund Development Strategies	• Clarify financing for services and outcomes • Establish the total cost needed to continue programs and services, new projects, and program enhancements • Develop financing strategies and evaluate options, using input from staff and the advisory committee • List potential donors and funders • Develop timelines for initially engaging potential donors and funders	Month 4
Diversify Funding	• Develop fund-raising strategies • Develop business venture strategies (e.g., earned income, franchising, tax credits, client talents, and gifts) • Develop a list or database of donors (e.g., individuals, corporations, foundations) that will give to your cause • Target Federal, State, and local funding support and grants	Month 5
Follow Up	• Formalize relationship with memorandums of understanding • Describe volunteer positions • Formalize roles of the advisory committee	Months 5–7
Nurture Sustainable Relationships and Encourage Continuous Involvement	• Use regular meetings and dialogue to offer opportunities to key stakeholders, partners, and funders for continued involvement in shaping the program • Share credit and celebrate successes • Ensure that the program mutually benefits all partners	Months 8–ongoing

Plan Component/Method	Action Steps	Timeline
Execute Fund Raising Plan	• Select methods and teams for fund raising and resource gathering for the year • Select team members from your advisory committee, board, and other community leaders to act as a fund-raising committee • Formulate strategies to meet with prospects individually • Prepare a fund-raising plan with objectives and timelines • Launch and execute fund-raising efforts	Months 8–ongoing (carry into Year 2)

Source: Corporation for National and Community Service. *Sustainability Toolkit*. Adapted by consultants and staff from SAMHSA and Michelle Voll from Consulting Services for Community Solutions.

Handout 1B

Resources To Foster Sustainability

Online Contacts

Various amounts of funding are available for nearly every type of national and community service. Familiarity with online funding resources is beneficial to large and small service organizations alike. Below you will find some contacts to assist you in building sustainability.

(To access resources from the Web addresses and programs below, hold the control button and click on the Web address.)

- U.S. Department of Education, Grants and Contracts:
  http://www.ed.gov/fund/landing.jhtml
- U.S. Department of Health and Human Services, Grants and Funding:
  http://www.hhs.gov/grants/index.html
- Centers for Disease Control and Prevention, Grants, Funding, and Procurement:
  http://www.cdc.gov/about/business/funding.htm
- U.S. Department of Substance Abuse and Mental Health, Grant Opportunities:
  http://www.samhsa.gov/grants
- Health Resources and Services Administration, Grants:
  http://www.hrsa.gov/grants/default.htm
- U.S. Department of Housing and Urban Development, Working with HUD:
  http://www.hud.gov/grants/index.cfm
- National Endowment for the Arts, Grants:
  http://www.arts.gov/grants/index.html
- U.S. Small Business Administration (SBA), Center for Faith-Based and Community Initiatives:
  http://www.sba.gov/aboutsba/sbaprograms/faithbased/index.html
- USA.gov, U.S. Government's Official Web Portal:
  http://www.usa.gov
- The Foundation Center, Finding Funders:
  http://foundationcenter.org/findfunders
- Council on Foundations, Community Foundation Locator:
  http://www.communityfoundationlocator.com
- Building Community Collaboration and Consensus, Grants:
  http://www.communitycollaboration.net/grants__primarily_social_services_and_educational__also_collaboration_informatio.htm
- Nonprofit Resource Center, Fundraising, Philanthropies:
  http://www.not-for-profit.org
- About.com, Nonprofit Charitable Orgs:
  http://nonprofit.about.com/od/fundraising
- GuideStar.org, Resources for Nonprofits:
  http://www.guidestar.org/npo/index.jsp
- United Way:
  http://www.unitedway.org

Recently, many foundations and companies have narrowed the focus of their giving programs. If you can find a way to leverage your involvement to one of their main causes, then you could have a better chance at getting a company's attention. Companies also support volunteerism among employees and favor noncash gifts, which many nonprofit organizations often overlook as a fund-raising source.

Online Research

Foundations are required to fill out IRS Form 990s. These forms are often posted on a foundation's Web site, so you can review these when researching a company. Because of fewer government regulations, you may find it more difficult to find information on direct corporate giving. Because of this dearth of information, you will probably find much more information on foundations online. Foundations typically use their Web sites as a marketing tool and may not include a lot of details about their giving. You will have to dig deeper to find out if your program really would be eligible for a grant. For example, you may have to call the foundation and request a grant application with a description of eligibility requirements. You will want to keep this information in mind when looking for corporate and foundation funding on the Web.

When searching the Web, try various search engines. Each engine will likely give you different results. These broad search terms may help:

- Foundations
- Corporate giving
- In-kind gifts
- Nonprofit grants
- Funding for senior programs
- Request for proposals (or RFP)

Online Resources

- Corporation for National and Community Service, Grants Listing: http://nationalserviceresources.org/resources/grants
- Senior Corps Technology Center, Hands-On Technology Trainings: http://seniortechcenter.org/training/index.php
- Senior Corps Technology Center, Tech Articles and Tools: http://seniortechcenter.org/web/index.php#articles
- The Foundation Center: http://foundationcenter.org
  - Foundation Directory Online (http://fconline.fdncenter.org): Updated weekly, this directory provides comprehensive and accurate information on U.S. grantmakers and their funding activities.
  - Catalog of Nonprofit Literature (http://foundationcenter.org/gainknowledge/cnl): Containing 25,000 full bibliographic citations and more than 17,000 descriptive abstracts, this searchable database of philanthropy literature is updated daily and incorporates the contents of the Foundation Center's five libraries.
- TechSoup, Funding: http://techsoup.org/learningcenter/funding/index.cfm
- Low Doc Loan Program (from SBA): http://www.abcsmallbiz.com/reference/sbafd/sbalowdocloan.html

  LowDoc is a streamlined loan program that seeks to ensure a fast turnaround for businesses in need of financing. The maximum loan is $150,000, and calls for a response from the SBA within 36 hours of receiving a complete application.
- Export Working Capital Program (EWCP) (from SBA): http://www.sba.gov/services/financialassistance/SpecialPurposeLoans/ewcp/index.html

  EWCP supports export financing to small businesses when that financing is not otherwise available on reasonable terms. The program encourages lenders to offer export working capital loans by guaranteeing repayment of up to $1 million or 90 percent of a loan amount, whichever is less. A loan can support a single transaction or multiple sales on a revolving basis.

  Designed to provide short-term working capital to exporters, EWCP is a combined effort of the SBA and the Export-Import Bank. The two agencies have joined their working capital programs to offer a unified approach to the government's support of export financing. EWCP uses a one-page application form and streamlined documentation to turn around financing usually in 10 days or less. A letter of prequalification is also available from SBA.

For more details on SBA's loans and qualification criteria, visit http://www.sba.gov or contact the local SBDC (http://www.sba.gov/localresources/index.html).

Additional Services

Venture Capital

Venture capital organizations can also help with starting or expanding a business. Financing through a venture capitalist is different from borrowing from a lender. Instead of earning interest, the venture capitalist takes an equity stake (part ownership) in the business—that stake may be substantial. The advantage of equity financing is that this capital does not have to be repaid like a loan. The venture capitalist earns a profit through dividends and the appreciation in the value of the company's stock.

As a condition of investing funds in a business, venture capitalists often have the right to review management decisions. In some cases they appoint their own managers to oversee certain aspects of the business. While the entrepreneur typically retains day-to-day management control of the company, the venture capitalist has some control over the strategic direction of the business.

Highly independent entrepreneurs must think carefully before accepting venture capital. Not only will venture capitalists be entitled to a significant portion of the profits of the company, but they may also take away much of the autonomy of the entrepreneur.

Loan Packaging

A team of loan consultants from Small Business Development Centers (SBDCs), which is a program of SBA, provides lending guidance and loan packaging services for a modest cost. The area of consultation includes assistance with financial projections, the statement of sources and uses of funds, the business plan, and the determination of appropriate sources of financing.

SBDC works closely with area banks and assists viable clients with business plans and the application process.

SBDC offers comprehensive workshops on how to prepare a business plan and financial information. After you complete a workshop, you will meet with a consultant to analyze your ability to qualify for a business loan. The consultant will help to determine what loan program is most suitable for your business. If interested, call your local SBDC for a schedule of upcoming workshops or to schedule an appointment.

EMPOWERING AMERICA'S GRASSROOTS
HHS-SAMHSA
Faith-Based and Community Initiative

A Life in the Community for Everyone
SAMHSA
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2 Organizational Assessment and Readiness

"Nonprofit organizations can most effectively develop a strategic plan, create new programs, downsize their operations, or expand their service area if they have a clear and accurate picture of themselves and their environment."

—Fieldstone Alliance 2005

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Jake's Recovery House, operated by a group of formerly homeless men who called themselves Jacob's Leaders, provided transitional housing for 12 recovering men until they could get on their feet. They heard about getting vouchers for providing recovery support services, but were stymied when told that they would have to do an organizational assessment to apply for funds. Then they remembered a professor in the neighborhood who had offered to help Jacob's Leaders in any way he could. When they approached him, he jumped at the chance to help. After reading the government requirements, the professor led everyone through the process, step by step. The professor also helped them establish a 5013(c)(3) nonprofit. Before the year was over, they had qualified to provide transitional housing services for the recovery-oriented system of care, and were saving money to expand.

Organizations are similar to the human body. Each is made up of several major systems that work together. Failure in one system causes stress in another. Thus, overall health suffers. If each system functions properly, then the overall health of the organization is good. It takes a thorough and honest assessment of each organizational system to understand how your organization is functioning, what are its strengths and weaknesses, and what areas require improvement.

An organizational assessment is like the annual exam that many people get from their family doctor. Like a doctor asking questions to find out the health status of a patient, an organizational assessment asks questions to determine the health status of an organization. Frequently reviewing an organization's health will prevent unexpected and sometimes difficult problems from emerging. Such an assessment provides information on the performance of an organization and a thorough report on what works and what doesn't.

This booklet introduces the organizational assessment process and describes how the information gathered from the process can be a useful component of the strategic plan.

What Is an Organizational Assessment?

Organizational assessment is a systematic procedure to gather information about an organization, identify specific challenges, and develop ways to address them. The assessment helps the organization review its programs and services, structure, staffing, personnel, finances, internal systems, leadership, and culture. It does not replace the strategic plan but is one of the first steps to be taken in the strategic planning process. The assessment is a critical starting point for initiating any type of change within the organization.

Getting Ready for an Organizational Assessment

Organizations need to have some degree of readiness to engage in an organizational assessment. The organization should consider its culture—that is, how people think, make decisions, and perform—and leadership, resources, vision, people, and systems:

- Get agreement on the scope of the assessment, current situation and challenges, responsibilities, timetable, and who will be involved. If an outside consultant will be used, this first step should include him or her.
- Determine the leadership, skill, and amount of time that are needed to carry out the assessment.
- Identify major conflicts that might bog down the process.
- Orient all board members and staff (and consultant), as appropriate, to the review process, clarifying questions about participation, confidentiality, and reporting.
- Determine what resources (e.g., staff, time, technology, and money) must be committed to the process.
- Collect data about the different systems that will be assessed.
- Analyze and summarize the findings, looking at interrelationships between key issues.
- Review findings with board members and/or staff (perhaps during a full-day meeting) to gain agreement on priority issues and concerns.
- Develop recommendations for change, getting agreement about change strategies from all affected people within the organization, Again, this may be done best through a full-day meeting.
- Develop an action plan that addresses priority concerns, including responsibilities and timelines.
- Ensure that staff or board members champion and work through the process as each system is assessed.
- Make sure that the vision or strategy points to where you desire to go.

Organizational leaders and key staff members should carefully review the assessment, perhaps during a special meeting or retreat. Here, they can work with staff to gain consensus about the current situation, identify key issues, develop an action plan and a timeline for addressing these issues, and make a plan for evaluating outcomes. An outside consultant who has expertise with nonprofits can also help with the assessment. However, the consultant's skills should fit into the culture of your organization. He or she should also know the language and culture of racial/ethnic groups with which your organization works.

The following are key functional areas that you may consider including in your assessment.

- **Mission:** A mission statement typically describes an organization's purpose, why it exists, and what it seeks to accomplish. It is important that the organization receives mutual consent for how the mission is carried out across the variety of departments and levels within the organization (e.g., key stakeholders, managers, employees, and clients and customers). The mission statement can be updated and expanded to meet environmental and political changes.
- **Board governance:** Leadership and governance are critical to the success of your organization. The board of directors is the legal governing entity for the organization. It determines the mission and ensures that resources are used to fulfill that mission. From a legal standpoint, each board member or trustee and staff member of a nonprofit are held to three standards:
  - **Duty of care.** Using his or her best judgment to actively participate in decisionmaking.

- **Duty of loyalty.** Setting aside personal and professional interests to act in the best interests of the nonprofit. Here, organizations must address and disclose potential conflicts of interest.
- **Duty of obedience.** Complying with all Federal and State laws while carrying out the organization's mission and purpose. All board and staff members should be familiar with these statements because they provide momentum for work.

- **Program management:** This refers to the way in which an organization uses its resources to complete unique tasks on target, on time, and on budget; to meet the organization's mission; and to reach its vision. Well-run and efficient organizations are in an excellent position for attracting funds and grants.
- **Financial management:** This is one of the most important management practices of any organization. A financial assessment will help your organization pinpoint its financial condition and determine the integrity of the bookkeeping process. It also provides a clear financial report to long-term and potential grantors.
- **Planning:** This process provides your organization with a strategic direction for moving into the future. It can help to ensure that your organization does not miss funding opportunities and opportunities for growth.
- **Human resources management:** Appropriate and qualified personnel are critical to carrying out the mission of programs, services, and projects. Practices and policies should be in place to ensure that staff are treated fairly, performance expectations are clear, and staff are held accountable to performing those expectations.

Who Should Lead the Assessment Process?

In general, at least two people should lead the organizational assessment. These people should understand the context in which your organization operates and be able to generate systematic information on the programmatic performance of the organization, the efficiency of the management systems, and the norms and values that drive the organization. Ideally, the assessment team should have several qualities.

- **Credibility:** Be recognizable to main stakeholders and members of the organization and have the right balance of authority, responsibility, insight, and knowledge of the organization.
- **Technical know-how:** Understand the approach and the organization's issues, be knowledgeable about the organization's programs and services, and have data analysis skills.
- **Objectivity:** Balance the perspectives of different people.
- **Communication skills:** Be able to communicate the results of the assessment in a manner that other people can understand easily.
- **Interpersonal skills:** Interact with all parties in a sensitive and effective manner and be able to work as part of a team.
- **Availability:** Be willing to commit time to conducting and working on the assessment.

Organizational Assessment Tools

Your organization can use many tools to conduct an organizational assessment. **SWOT** can effectively analyze and assess the internal and external environments in which your organization functions. SWOT examines internal **S**trengths and **W**eaknesses and external **O**pportunities and **T**hreats. Strengths may include staff expertise or connections with the community. Weaknesses may include an inactive board or inefficient processes. Opportunities may include new services or business ventures. Threats may include local funding cuts or public apathy about a community.

Conclusions

Every organization wants to improve its performance from year to year. Conducting an organizational assessment will help your organization identify the components on which the assessment should focus on first and determine strengths and weaknesses of your organization. From the assessment, your organization can also learn overall capabilities and the effectiveness and marketability of programs and services. The organizational assessment helps organization answer the following questions.

- Is there a shared understanding of the vision that results in a direct connection between jobs and your organization's mission?
- Do employees have the necessary skills and abilities to fulfill the mission?
- Are employees rewarded for their work?
- Is your organization structured appropriately for the services delivered and the needs of clients and consumers?
- Do policies and procedures support goals and the mission?
- Are employees willing to change along with the evolving needs of your organization?
- Is leadership active, supportive, and appropriate for administering programs and services?
- Are the infrastructure and services strong enough to be sustained over time?

You have many assessment tools from which to choose. The remaining pages of this booklet present resources for further reading and a few examples of planning templates and organizational assessments and checklists that you can adapt to fit the needs of your organization.

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■ ■ ■

Handout 2A

Self-Assessment Tool

Please complete each question to the best of your knowledge. When completed, identify the program areas that require strengthening. Begin to discuss strategies with your team around the findings.

These 3 handouts provide you with tools for gathering the information you need to develop your mission statement, plan for a board of directors, and prepare for other important organizatioal matters. It will help you identify your strengths and show you where you can make changes.

Name: ______________________________

Organization: ______________________________

Part I
Organizational Readiness

Strategic Visioning/Planning

1. Does your faith-based organization (FBO) or community-based organization (CBO) have a mission statement?

   Yes _____ No _____ Don't Know ____

2. When did the FBO/CBO write the mission statement? ______________________________

3. Has it been updated?

   Yes _____ No _____

4. How did your FBO/CBO develop your mission statement/vision?

   Board retreat ______________________

   Telephone conference call ______________

   Staff meeting ______________________

   Don't know ______________________

   Other (specify) ______________________

Board Membership

1. Do you have a board?

   Yes _____ No _____

2. Do you know who is on your board?

   Yes _____ No _____

3. Does your FBO/CBO have a policy statement on the role and responsibilities of board members?

   Yes _____ No _____

4. Do you have a relative on the board?

   Yes _____ No _____

5. Is your neighbor on the board?

   Yes _____ No _____

6. Do you have a lawyer on your board?

   Yes _____ No _____

7. Do you have a public relations or media expert on your board?

   Yes _____ No _____

8. Do you have an accountant or certified public accountant on your board?

   Yes _____ No _____

9. Do you have a technology geek on your board?

   Yes _____ No _____

10. Do you have a consumer on your board?

    Yes _____ No _____

11. Do you have a business person on your board?

    Yes _____ No _____

12. Do you have an evaluator on your board?
    Yes _____ No _____

13. Do you have a board recruitment process?
    Yes _____ No _____

14. Do you have board orientation or training?
    Yes _____ No _____

15. Do you have a board retirement process?
    Yes _____ No______

Staffing

1. Do you have a human resources handbook or policy statement?
   Yes _____ No _____

2. When did the FBO/CBO update the human resources handbook or policy statement?
   ____
   ____
   ____

3. Do you have internal staff training?
   Yes _____ No _____

4. Do you offer external staff training?
   Yes _____ No _____

5. Do former client(s) or recovering person(s) serve as staff?
   Yes _____ No _____

6. Do you have licensed or certified staff?
   Yes _____ No _____

7. Do you have volunteers or interns on your staff?
   Yes _____ No _____

8. Do you have bilingual staff members?
   Yes _____ No _____

9. Do staff members contribute to or support FBO/CBO fundraisers?
   Yes _____ No _____

10. Does your FBO/CBO have staff meetings?
    Yes _____ No _____

11. Does your FBO/CBO have a succession plan?
    Yes _____ No _____

Program Services

1. Does your FBO/CBO provide effective services?
   Yes _____ No _____
   How do you know? Please elaborate:
   ____
   ____
   ____

2. Do you conduct an internal evaluation of program services?
   Yes _____ No _____

3. What services do you provide? Please check
   ____ Housing
   ____ Substance Abuse Services
   ____ HIV/AIDS Testing/Referral/Counseling
   ____ Job Training
   ____ Child Care Services
   ____ Medical Services
   ____ Transportation

4. Is your FBO/CBO licensed or accredited?
   Yes______ No _____
   By what FBO/CBO? ____________________

5. Does your FBO/CBO seek client input on services?
   Yes _____ No _____

6. Do you collect and report program outcome data?

   Yes _____ No _____

Financial Management

1. Does your FBO/CBO have an accountant or fiscal person?

   Yes _____ No _____

2. Is your accountant or fiscal person certified?

   Yes _____ No _____

3. Do you have written fiscal management policies?

   Yes _____ No _____

4. Are your FBO/CBO records audited?

   Yes _____ No _____

5. When was the last FBO/CBO audit?

   ____

6. Do you collect third-party payments?

   Yes _____ No _____

7. Who does the invoicing for the FBO/CBO?

   ____

Collaboration and Networking

1. Do you collaborate with other agencies?

   Yes _____ No _____

   Please identify your collaborative partners:

   ____

   ____

   ____

2. Do you submit collaborative proposals?

   Yes _____ No _____

3. Do you have a formal memorandum of agreement with a (any) collaborative partner?

   Yes _____ No _____

4. Do you have a referral protocol with collaborators?

   Yes _____ No _____

Public Relations/Marketing

1. Do you have an FBO/CBO brochure?

   Yes _____ No _____

2. If yes, when was the FBO/CBO brochure updated? ______________________________

3. Is your FBO/CBO brochure in more than one language?

   Yes _____ No _____

   What language(s): ____________________

4. Do you have a public relations or marketing expert on your staff?

   Yes _____ No _____

5. Do you have a public relations or marketing intern or volunteer in your program?

   Yes _____ No _____

6. Does your FBO/CBO have a Web site?

   Yes _____ No _____

7. Does your FBO/CBO have name recognition?

   Yes _____ No _____

8. Does your FBO/CBO have a good reputation?

   Yes _____ No _____

9. Does the staff or board make presentation(s) to city/county or state public officials or decision makers?

   Yes _____ No _____

Please add other questions that address organizational readiness:

1. ______________________________
   ____
2. ______________________________
   ____
3. ______________________________
   ____

Part II
Financial Sustainability

Fund Diversity

1. Do you have multiple sources of funding?
   Yes _____ No _____
   Please specify the sources of funding:
   ____
   ____
   ____
2. Does your FBO/CBO collect funds via your Web site?
   Yes _____ No _____
3. Does your FBO/CBO brochure seek funds?
   Yes _____ No _____
4. Does your FBO/CBO have the ability to obtain funds via a credit card?
   Yes _____ No _____
5. Do you receive funding from the United Way?
   Yes _____ No _____
6. Is your FBO/CBO certified to receive funds from the United Way?
   Yes _____ No _____
7. Has your FBO/CBO sought funds from the United Way?
   Yes _____ No _____
8. Do you seek or use "in-kind" services?
   Yes _____ No _____

Fund Raising/Development

1. Does your FBO/CBO conduct a fund-raising event?
   Yes _____ No _____
2. Do you have a fund-raising committee or team?
   Yes _____ No _____
   Who comprises the fund-raising committee or team (specify):
   ____
   ____
   ____
3. Did your fund-raising effort raise any funds?
   Yes _____ No _____
4. Does any FBO/CBO staff member serve on any advisory board(s)?
   Yes _____ No _____
5. Did your FBO/CBO use any free public service outlets to advertise your fund raising?
   Yes _____ No _____
6. Does your FBO/CBO send thank you letters or otherwise recognize contributors?
   Yes _____ No _____
7. Does your FBO/CBO do direct solicitation?
   Yes _____ No _____

Grant Writing

1. Does your FBO/CBO have a grant writing team?
   Yes _____ No _____

2. Does your FBO/CBO have multiple grants?
   Yes _____ No _____

3. Identify other agencies that have grants in areas similar to your grant (specify):
   ____
   ____
   ____

4. Do you have the capacity to apply for grants online?
   Yes _____ No _____

5. Have you applied for any foundation grant funds?
   Yes _____ No _____

6. Are you familiar with traditional foundations in your area or State?
   Yes _____ No _____

7. Are you aware of corporate foundations in your area or State?
   Yes _____ No _____

Social Entrepreneurial Activities

1. Does your FBO/CBO have a "for profit" arm?
   Yes _____ No _____

2. Does your FBO/CBO operate a business?
   Yes _____ No _____

3. Does your FBO/CBO have a type of service or product that the public would pay to receive?
   Yes _____ No _____
   Please specify: ____________________
   ____
   ____

4. Are you familiar with any foundation or organization that supports social entrepreneurial efforts of non-profits?
   Yes _____ No _____
   Please specify: ____________________
   ____
   ____

5. Do you have a relationship with any existing business?
   Yes _____ No _____
   Describe: ________________________
   ____
   ____

6. Are you familiar with large community- or faith-based organizations in your area that operate businesses?
   Yes _____ No _____

7. Do you have a mentor/mentee relationship with any large CBO or corporation in your community?
   Yes _____ No _____

8. Are you interested in generating revenue through a "for profit" entity?
   Yes _____ No _____

Handout 2B

Sample Organizational Assessment Checklist

This checklist has been prepared to help your organization review its systems and programs. It can help you identify ways to strengthen your organization.

Rating*	Indicator	Met	Needs Work	N/A
Planning Regarding the Total Organization				
E	1. The organization's purpose and activities meet community needs.			
E	2. The organization frequently evaluates, by soliciting community input, whether its mission and activities provide benefit to the community.			
R	3. The organization has a value statement that is reflected in the agency's activities and is communicated by its constituents.			
A	4. The value statement includes standards of ethical behavior and respect for others' interests.			
E	5. The organization has a clear, meaningful written mission statement that reflects its purpose, values, and people served.			
R	6. The board and staff periodically review the mission statement and modify it to reflect changes in the environment.			
E	7. The board and staff have developed and adopted a written strategic plan to achieve its mission.			
A	8. Board, staff, service recipients, volunteers, key constituents, and general members of the community participate in the planning process.			
E	9. The plan was developed by researching the internal and external environment.			
R	10. The plan identifies the changing community needs, including the agency's strengths, weaknesses, opportunities, and threats.			
R	11. The planning process identifies the critical issues facing the organization.			
R	12. The plan sets goals and measurable objectives that address these critical issues.			
E	13. The plan integrates all the organization's activities around a focused mission.			
R	14. The plan prioritizes the agency's goals and develops timelines for their accomplishment.			
A	15. The plan establishes an evaluation process and performance indicators to measure the progress toward the achievement of goals and objectives.			
R	16. Through work plans, human and financial resources are allocated to ensure that goals are accomplished in a timely fashion.			

Rating*	Indicator	Met	Needs Work	N/A
A	17. The plan is communicated to all stakeholders of the agency: service recipients, board, staff, volunteers, and the general community.			
Planning Regarding the Organization's Programs				
E	1. Programs are congruent with the agency's mission and strategic plan.			
A	2. The organization actively informs the public about its programs and services.			
A	3. Clients and potential clients have the opportunity to participate in program development.			
R	4. Sufficient resources are allocated to ensure each program can achieve the established goals and objectives.			
R	5. Staff have sufficient training and skill level to produce the program.			
A	6. Programs in the organization are integrated to provide more complete services to clients.			
R	7. Each program has performance indicators to ensure that the program meets its goals and objectives.			
R	8. Performance indicators are reviewed annually.			
A	9. The agency networks and/or collaborates with other organizations to produce the most comprehensive and effective services to clients.			
Planning Regarding the Organization's Evaluations				
R	1. Every year, the organization evaluates its activities to determine progress toward accomplishing goals.			
A	2. Stakeholders are involved in the evaluation process.			
R	3. The evaluation includes a review of organizational programs and systems to ensure that they comply with the organization's mission, values, and goals.			
R	4. The results of the evaluation are reflected in the revised plan.			
A	5. Periodically, the organization conducts a comprehensive evaluation of its programs. This evaluation measures program outcomes.			

* E = Essential; R = Recommended; A = Additional to strengthen organizational activities.

Source: McNamara, C. W., ed. *Checklist for a Planning Assessment for Nonprofit Organizations.* Minneapolis, MN: United Way of Minneapolis Area. Accessed November 14, 2007, at http://208.42.83.77/org_eval/uw_plng.htm

Handout 2C

Identifying Reasons To Conduct an Organizational Assessment

Instructions: The following exercise can help members of your organization understand why they would conduct a self-assessment. Ask senior managers and other individuals or groups you think should be involved to reflect on this question and begin a list of their reasons for self-assessment. Their ideas can be shared and can become the basis for future decisionmaking. This exercise may be conducted on an individual basis, with the information then collated by one person, or it may be carried out as a group exercise, facilitated by either an internal or an external person.

In your organization, identify the three main reasons for undertaking a self-assessment at this time.

1. ______________________________

2. ______________________________

3. ______________________________

Source: Lusthaus, C.; Adrien, M-H.; Anderson, G.; and Carden, F. Chapter 1. Should You Conduct a Self-Assessment? In *Enhancing Organizational Performance: A Toolbox for Organizational Assessment.* Ottawa, ON, Canada: IDRC, International Development Research Centre. Accessed November 14, 2007, at http://www.idrc.ca/en/ev-28193-201-1-DO_TOPIC.html

EMPOWERING AMERICA'S GRASSROOTS
HHS-SAMHSA
Faith-Based and Community Initiative

A Life in the Community for Everyone
SAMHSA
Substance Abuse and Mental Health Services Administration
U.S. Department of Health and Human Services

DHHS Publication No. (SMA) 08-4340

Printed 2008

Sustaining Grassroots Community-Based Programs:
A Toolkit for Community- and Faith-Based Service Providers

3 Effective Marketing Strategies

"Marketing is not an event, but a process . . . It has a beginning, a middle, but never an end, for it is a process. You improve it, perfect it, change it, even pause it. But you never stop it completely."

—Jay Conrad Levinson 1994

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

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"We're volunteers doing God's work. We don't do marketing," the leader of Helen's After-School Helpers said emphatically. "And we aren't looking to sell anything." Then someone told her that marketing could help advance the mission of her group of volunteers, and she asked for help.

Now Helen has only the highest praise for the young woman who helped her reshape her message to communicate better with the parents she was trying to reach and to build a relationship with a women's treatment center whose clients needed childcare services while they went to outpatient treatment. After making a "targeted" presentation to the women's center, she found out the director's husband ran an after-school program for teenagers. Helen's After-School Helpers are now planning to team with the teenage program to serve even more community youth.

Grassroots organizations often find marketing to be quite a challenge. Many are just being introduced to the concept, and limited resources keep others out of the mix. Either way, these organizations must reach out to and engage with new audiences to attract funding, serve more clients, and advance the mission of the organization. The most valuable services are worthless if local community members aren't aware of them.

Your organization can use marketing strategies to address specific problems of concern to the organization, donors, the community, and consumers. Marketing is a continuous and cumulative process of communication and motivation. In simplest terms, marketing seeks three outcomes:

- Communicate a message that motivates the targeted audience to take action.
- Bring your organization closer to achieving its mission and goals.
- Build financial partnerships and long-term relationships.

The information provided in this booklet delivers basic information about marketing principles, methods, communication, and resources. Your organization can use this information to develop a marketing strategy.

How To Write a Marketing Plan

A good marketing plan starts with an understanding of marketing objectives and what the organization is trying to achieve. The objectives should be based on an understanding of your organization's strengths and weaknesses and the environment in which it operates. A nonprofit organization is driven by its mission and objectives. The mission defines what the organization wants to accomplish, and objectives serve as action steps to fulfill the mission.

Strategic goals speak to the overall program and services.

Suppose your organization has two objectives: increasing the number of youth served by 25 percent and employing counselors to serve this population. To achieve this, your marketing objectives could include targeting a foundation that has a mission to improve the outcomes of youth at high risk for substance abuse. Your objectives should always be SMART:

- **S**pecific
- **M**easurable
- **A**ction-oriented
- **R**ealistic/**R**esponsibilities stated
- **T**imed

Whatever the goal, decide in advance how success will be determined. For example, if the goal is to increase awareness, then how will it be measured? Success can be a 10 percent increase in donations or an increase in the number of referrals received by the organization. You decide the criteria for success. In most cases, marketing objectives can be achieved without a lot of money, but they do require some creativity.

Identify Your Target Audience

Goals and objectives will determine with whom your organization needs to communicate. Marketing to the right target audience will help your organization meet its objectives. The target audience may consist of clients, those who refer clients to your organization, or potential donors. Target audiences should be separated by level of importance, such as highest, middle, and lowest. Then, messages can be created for and directed at certain audiences. Marketing approaches should focus on the decisionmakers in the targeted audience.

After the target audience is identified, your organization must determine the best way to reach it.

Conduct Market Research and Do Your Homework

Market research can be used to make better decisions. Market research should first look at current clients of the organization. They are the best source of information about programs and services. What works, what doesn't, and what needs aren't being met? How did clients learn about the program and/or services? Does the organization adequately inform people about its offerings? Gathering information from and about clients will lead to better services for them and help organizations find ways to collaborate with and identify potential donors.

If your organization has a story to tell, then say it with numbers and statistics. Numbers make an impact and add to an organization's credibility. For example, say your outcomes data indicate that 60 percent of your clients are gainfully employed within 6 months of participating in your recovery support program. Your organization can use this data to demonstrate the success of the program and to attract donors and funders.

Analyze the Competition

You should always know your competition. The key to knowing the competition is making comparisons. Comparing your organization with the competition will highlight strengths that set your programs and services apart from others. These strengths should be used in the messages of your marketing plan. Here are some questions that can help your organization get to know its competition:

- Do competitors have more experienced staff?
- What makes your organization different or unique from competitors?
- How long have competitors been in business?
- Do competitors offer more comprehensive services?
- What selling points do competitors advertise?
- Where do competitors advertise?
- How do competitors communicate with potential donors?
- What messages do competitors market and how do they differ from your organization?
- How do competitors recruit clients?

- Do competitors rely on advertising or referrals?
- Do competitors use the same referral sources as your organization?

Answers to these and other similar questions should be considered as your organization crafts its marketing plan.

Position Your Organization in the Marketplace

Analyzing the competition will help your organization to develop a positioning statement. A positioning statement identifies how your organization wants to be recognized and/or viewed by consumers, competitors, the media, and others. Here are some questions that can help your organization determine its position in the market:

- What services are provided?
- To whom are the services provided?
- How does your organization differ from others?
- Why should funders and donors support your organization?
- What unique benefits do clients and the community get from using your organization's services?

Review Assets and Resources

For small grassroots organizations with limited funding, all assets and resources for marketing must be used effectively. Assets are both organizational and physical. Organizational assets include the value the community holds for the organization's programs and services, the experience and expertise of staff and the board of directors, the level of dedication from volunteers, and the level of support from donors. Physical assets include the facility, motor vehicles, and any equipment that is owned or rented.

Other resources can also be used to meet marketing goals:

- Board members may have relationships or connections to businesses or corporations that could help the organization.
- Rooms or space in the facility could be rented to other organizations or groups.
- A parking lot could be used to hold a fund-raising event.
- A van or car could be turned into mobile advertising.

Be creative. Make the best use of assets and resources to help your organization reach its marketing goals.

Use Marketing Communication Vehicles

Advertising

Advertising puts your organization where it can be seen.

- Find an advertising agency that would give free time and effort and be willing to help your organization create advertising materials.
- Seek out low-cost ads in local media (e.g., television, radio, newspapers, billboards).
- Get to know reporters and make your organization their final source of information.
- Make the organization's programs and services newsworthy.

Brochures

Brochures are a great way to talk about your organization's program or services.

- Include the mission statement, a brief history of your organization, and information about its services.
- Include pictures, when appropriate, of clients participating in programs or performing an activity. A picture is worth a thousand words.
- State the location and address for where to send donations.

Newsletters

Whether printed or posted online, newsletters are a great tool for building and keeping relationships with stakeholders and potential donors. Newsletters can educate your audience about the mission of your organization, the need that your organization addresses, and how that need is met. Newsletters can also keep stakeholders informed of annual or capital fund-raising campaigns. Here are some tips about what to put in a newsletter:

- Use testimonials. Include stories that describe personal success and healing.
- Use pictures (e.g., children in an after-school program, lunch being delivered to a senior) to show your organization in action. Pictures show donors the benefits and results of their donations.
- Include a statement about where to send donations. Offer different levels of giving, and describe what each amount will accomplish. For example, $25 will provide lunch for a senior for 1 week, or $100 will pay for five AA meetings.
- Include a wish list. A person who can't contribute financially may be able to donate supplies or materials.

Web Site

The Internet is a fast-growing base for charitable donations. A Web site is a somewhat inexpensive way to get support for your organization. A Web site is also a great way to build and keep relationships with stakeholders. If no one in your organization can create a Web site, then ask for volunteers from a local high school or college. They can help to build and maintain a Web site that:

- Gives Web browsers a reason to visit and return to the site.
- Is dynamic and interesting.
- Has up-to-date content.
- Includes surveys or polls about relevant issues.
- Includes testimonials and success stories.

To reach a larger audience:

- Include your organization's Web site on relevant Web directories (e.g., faith-based programs or Sober.com).
- Use keywords in the content so it will pop up on search engines.
- Sign up for free and fee-based search engines, such as Yahoo and Google.
- Provide links to sites of partners that collaborate with your organization.
- Seek advertising partners.
- Place the Web address of your organization on all materials.

Make sure that Web users have a way to donate. Dedicate a section or a page to information about making a donation:

- Identify different levels of donations.
- Describe the benefits of giving.
- Place a donation button on every Web page.

The Internet is a relatively new media. Every day people find new ways to use it to engage people—so be creative.

E-mail

The number of people using e-mail continues to grow. E-mail is an effective way to keep clients and supporters informed:

- Collect as many e-mail addresses as you can.
- Send e-mail blasts whenever your organization has a success story or important news to share.
- Send e-mails to update supporters and clients about fund-raising campaigns.

Voicemail

Voicemail is another outlet that can be used to keep clients and potential clients informed. Voicemail messages should be concise and changed often. They can announce, for example, upcoming events, a new program, fund-raising goals, or an achieved goal. Listen to your organization's voicemail message and find ways to use it as a marketing tool.

Direct Mail and Telemarketing

Direct mail can reach a broad target audience. It can be an efficient tool to communicate with current supporters and donors and when followed up with a phone call (telemarketing). However, direct mail can also be one of the most expensive marketing vehicles. When considering a direct mail campaign, the level with which a target audience is familiar with your organization is a big concern.

Broad telemarketing campaigns have the same problems as direct mail efforts. When considering a telemarketing campaign, your organization should consider cost, staffing, and legal issues. Acquiring lists of names and phone numbers can be expensive, and many telemarketers are needed. Plus, many States have banned unsolicited telemarketing.

Nonprofit fund raisers enjoy the most success with direct responses (5.4 percent), followed by retail stores (3.4 percent), and establishments selling services to businesses (3.3 percent) (Oser 2003).

Public Relations

Here are some tips on how to use media to further your mission:

- Express opinions related to the cause of your organization by writing letters to the editor or an op-ed piece.
- Issue press releases on newsworthy events from your organization.
- List important events in local newspapers (e.g., calendar of events).
- Invite the press when conducting health and information fairs.

Spread the Word

Identify every opportunity to communicate and build relationships with supporters:

- Use all types of marketing tools (e.g., t-shirts with a logo, bumper stickers, lapel buttons).
- Invite supporters of the organization to a thank you breakfast.
- Organize a tour of your organization's facilities.
- Present an award to a local politician, community leader, or major donor for their support.
- Invite supporters and donors to meet some of the people that their donations have helped.

Develop an Effective Elevator Speech

What's that? An elevator speech is a brief but compelling way to introduce yourself and your organization to outsiders. Basically, you have 10 seconds or less to gain someone's attention and communicate the mission of your organization, for example:

> *Hi, I'm Paula Smith, and I give second chances. I am the director of the Live Right Safe House. We offer job training, life skills, and housing to women who are recovering from drug and alcohol abuse. We provide the safety net they need to get back on their feet, stay healthy, and live drug-free.*

In three short sentences, Paula told people who she is, what she does, whom she does it for, and the benefits that her organization provides. These are the basic elements of an elevator speech:

- "Drop a hook" to get the listener's attention: "I give second chances."
- Tell the listener what you do: "We offer job training, life skills, and housing."
- Indicate whom you serve: "Women who are recovering from drug and alcohol abuse."
- Describe the benefits: "We provide the safety net they need to get back on their feet, stay healthy, and live drug-free."

The key is to keep the speech short and to practice until it flows naturally. The speech should focus on benefits, not process.

Use Essential Marketing Strategies

Regardless of your organization's size and mission, using essential marketing strategies will help to build community awareness and support:

- Identify target audiences: Define the groups that your organization wants to reach.
- Maintain consistent communication: Plan a communications strategy for the next year. Develop a timeline for press releases, newsletters, special events, and other marketing efforts.
- Create a visual identity: Don't overlook the importance of a visual identity. Either hire a graphic artist or seek talents from the local college. The organization should have a distinctive logo, colors, and marketing slogan or message and a consistent style to all marketing materials. Display the organization's name and logo on newsletters, reports, signs, and brochures. A memorable, well-designed visual image will enhance awareness of the organization.
- Use message repetition and variation: An audience is more likely to remember a message if it is repeated in different communication vehicles. For example, include the mission statement in brochures, newsletters, and public service announcements (PSAs) and on Web sites. Also, develop brief, memorable slogans to capture the essence of a message.
- Use many communications tactics: Tailor messages to different target audiences. One message doesn't fit all. Using various communications vehicles can help to establish and maintain a positive image and broaden the marketing reach of your organization.
- Use the right media: Use the media best suited to reach your target audience. When doing so, consider your financial resources. If possible, seek several media outlets (e.g., phone calls, letters, e-mails, newsletters, PSAs, press releases, editorials).
- Develop a strong, well-known identity over time: Building visibility and awareness is a gradual process. Be patient, persistent, and consistent.
- Build relationships: Invite community leaders, local politicians, and potential donors on a tour of your organization's facilities. Ask board members, staff, and volunteers to write a short note and attach it to a newsletter or solicitation. For example, "Dear Phil: I thought you might be interested in the work that we're doing."
- Ensure results: Educate stakeholders about the mission of the organization and explain to them how the organization benefits the community. Include stakeholders as part of the solution. Tell them and show them just what their donations will accomplish (e.g., how many people will be helped or how many meals their donation will provide).
- Use the Web: If your organization doesn't have a Web site, then get one—now! Consider hiring a Web designer. Use the Web site to keep stakeholders informed and to receive charitable donations.
- Write articles and press releases: Not only do articles and press releases keep current stakeholders informed, but they also open your organization to potential clients and supporters. Articles also solidify your organization as an expert in its field. Press releases can be used to announce any newsworthy item, including new programs and services. When writing press releases, use a headline that seems more like news, not an ad.
- Benefit from testimonials: Let the world know the kudos that your organization has received from satisfied clients and collaborators. Testimonials of any length, from just a statement to a few sentences to an entire page, can be used in many marketing pieces.

Evaluate Your Marketing Plan

The best-laid plans aren't perfect. Establish a timeline to evaluate your marketing plan. Monitor and evaluate outcomes and use feedback to revise programs.

- Was the organization able to achieve its goals?
- What worked?
- What didn't work?
- What strategies and tactics should continue?

Think of the marketing plan as an ongoing project. The plan should be reevaluated whenever goals change.

Conclusions

Nonprofit organizations must reach out to and engage with target audiences. To reach those audiences, the organization should develop, maintain, evaluate, and revise a marketing plan. Developing an identity is a critical part of that plan. Together, the plan and a credible identity will bring clients and stakeholders closer to the organization, so it can meet objectives and reach potential funders.

Reference

Oser, K. Nonprofit response rates soar. *Direct,* November 1, 2003. Accessed November 14, 2007, at http://directmag.com/casehistories/b2b/marketing_nonprofit_response_rates/?cid=response_rate

At the end of this booklet are worksheets and samples that can be used to help you with the process.

Further Reading

Levinson, J.C. *Guerilla Marketing.* New York: Houghton Mifflin, 1994.

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Handout 3A

Effective Marketing Strategies (With Examples)

Strategic Marketing Plan Worksheet

Answer the questions and complete the tables in each section of this worksheet. The finished worksheet can be used to help you write a marketing plan.

Form a Team and Assign Tasks

Who needs to be involved (e.g., staff, board members, volunteers)?

Name and Role	Assigned Tasks
Example: Rita Smith, RSVP Director	*Lead and coordinate strategic marketing planning process*

Establish a Timeline for Activities

Activity	Start Date	Target End Date
Form a team		
Determine vision and mission		
Define goals and objectives		
Assess target audiences and their needs		
Determine assets and resources		
Determine key strategies to achieve goals: • What steps are needed? • What technologies must be in place? • What delivery methods will be used? • What marketing materials will be used?		
Complete all sections of this worksheet		
Determine how staff and volunteers will be recruited, trained, and supported as effective marketing representatives		
Other activities:		

Determine Mission and Vision

What is your mission? What do you hope to accomplish?

Program	Mission and Vision	Desired Outcomes
Example: RSVP; Dane County; Madison, Wisconsin	*"To have a positive impact on the community by providing people in recovery with the life skills they need to successfully re-enter society."*	• *Obtain employment by providing individuals in recovery with training and job skills necessary for employment* • *Restore financial stability to the lives of men and women in recovery by helping them obtain employment* • *Decrease recidivism by providing emotional support through mentors* • *Secure employment opportunities by collaborating with employers in Dane County*

Identify Goals, Objectives, and Key Strategies

Goals	Objectives	Outcomes (How Much of What by When)	Key Strategies
Example: Collaborate with employers in Dane County to secure employment opportunities	*Provide employment for individuals in recovery*	*Secure 25 employment opportunities in the first quarter of 2007*	*Present a proposal to the top five employers in Dane County*

Assess Target Audiences (Include Market Research)

Take a look at the groups of people you serve and what they need.

Target Audiences	Target Audience Needs That We Can Fulfill
Example: Men and women in recovery	*Assistance with finding employment*

List Assets and Resources

List your hard and soft assets. Hard assets relate to equipment or physical space. Soft assets are your contacts, board members, etc.

Hard and Soft Assets
Example: A board member is employed by the XYZ Company and can provide contact information.

Establish Strategic Marketing Actions

Goal	Action Needed To Achieve Goal	Promotion Techniques	Promotional Resources Needed, Delivery Method, etc.	Technologies To Be Put in Place
Example: To provide employment opportunities	*Gain support of local employers*	• *Send press releases to local newspaper to increase awareness of RSVP's programs and services* • *Develop and deliver presentations to local employers about our services* • *Develop newsletters about the progress of the training program and distribute them to members of the community and press, local employers, and volunteers* • *Include the names and logos of our employment partners on our Web site and brochures*	• *Create a professional video presentation of current success stories* • *Develop a professional-looking newsletter* • *Use mailing lists to mail newsletter to members of the local community*	*Purchase desktop publishing software (e.g., Microsoft Publisher, PageMaker)*

Evaluation and Revision

Revisit your plan to update it and revise as necessary.

Handout 3B

Effective Marketing Strategies

Strategic Marketing Plan Worksheet

Answer the questions and complete the tables in each section of this worksheet. The finished worksheet can be used to help you write a marketing plan.

Form a Team and Assign Tasks

Who needs to be involved (e.g., staff, board members, volunteers)?

Name and Role	Assigned Tasks

Establish a Timeline for Activities

Activity	Start Date	Target End Date
Form a team		
Determine vision and mission		
Define goals and objectives		
Assess target audiences and their needs		
Determine assets and resources		
Determine key strategies to achieve goals: • What steps are needed? • What technologies must be in place? • What delivery methods will be used? • What marketing materials will be used?		
Complete all sections of this worksheet		
Determine how staff and volunteers will be recruited, trained, and supported as effective marketing representatives		
Other activities:		

Determine Mission and Vision

What is your mission? What do you hope to accomplish?

Program	Mission and Vision	Desired Outcomes

Identify Goals, Objectives, and Key Strategies

Goals	Objectives	Outcomes (How Much of What by When)	Key Strategies

Assess Target Audiences (Include Market Research)

Take a look at the groups of people you serve and what they need.

Target Audiences	Target Audience Needs That We Can Fulfill

List Assets and Resources

List your hard and soft assets. Hard assets relate to equipment or physical space. Soft assets are your contacts, board members, etc.

Hard and Soft Assets

Establish Strategic Marketing Actions

Goal	Action Needed To Achieve Goal	Promotion Techniques	Promotional Resources Needed, Delivery Method, etc.	Technologies To Be Put in Place

Evaluation and Revision

Revisit your plan to update it and revise as necessary.

EMPOWERING AMERICA'S GRASSROOTS
HHS-SAMHSA
Faith-Based and Community Initiative

A Life in the Community for Everyone
SAMHSA
Substance Abuse and Mental Health Services Administration
U.S. Department of Health and Human Services

DHHS Publication No. (SMA) 08-4340

Printed 2008

Sustaining Grassroots Community-Based Programs: A Toolkit for Community- and Faith-Based Service Providers

4 Financial Management

"For tomorrow belongs to the people who prepare for it today."

—African proverb

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

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After Reverend Janice's husband retired from the corrections system, the two of them began meeting with women inmates before their release to help them make plans for going to treatment when they got out. The couple became very successful, got some attention in the media, and received a small grant from the county. But they were losing sleep about their financial situation. They kept financial records, but really didn't know if they were doing it right.

They found out it was possible to get some help—called technical assistance—from a faith-based program operating in the jail. But then they had a new fear—that they wouldn't understand or know how to relate to the consultant. In fact, he turned out to be a nice guy who understood their situation perfectly. He reassured them, and showed them better techniques for keeping their books. Sister Janice and her husband are sleeping better now.

Today, community- and faith-based organizations and nonprofits have to be accountable more so than ever before. This is particularly true about finances. Accountability extends beyond the treasurer of the board and other board members. It affects the entire organization, from programs and services to quality and success. Organizations have an obligation to act as responsible stewards in managing their financial resources, complying with all legal financial requirements, and adhering to sound accounting principles that produce reliable financial information, ensure fiscal responsibility, and build public trust. And donors and funders expect money to be managed well.

Basic skills in financial management start in areas of cash management and bookkeeping. Integrity in financial management is necessary to ensure continued funding support. To understand its financial health, an organization must know how to generate and analyze financial statements. This aspect of management may be the most challenging for community- and faith-based organizations.

Without question, an organization lives or dies by how well it manages financial resources. Nonprofits should effectively and efficiently use their financial resources to accomplish their missions and should establish clear policies and practices to monitor regularly how funds are used.

This toolkit provides you with useful information on the basic elements of financial management and managing others peoples' money.

Who Is Responsible for Financial Management?

Handling and managing finances is best suited for a person on the board, usually the treasurer, or someone in the organization with at least basic financial management knowledge and skills. The board develops and authorizes a set of procedures for how the organization manages its finances and determines how those procedures are carried out. The treasurer develops systems and practices to manage the finances of the organization and its programs in coordination with board members to:

- Ensure accurate recording, reliable reporting, and the capacity to analyze and interpret historical and current financial data
- Prepare financial plans and reports
- Generate financial statements
- Track spending

A high degree of accuracy and reliability of information will help organizations to operate the business effectively and to establish accountability and public trust—all of which lead to long-term sustainability.

A fiscal officer or program manager is usually responsible for preparing the budget. He or she may choose to keep a chart of accounts or buy software to manage the funds. However, an outside consultant or certified public accountant (CPA) can also be hired to fill this role. In either case, board members usually lend support to the budget process.

Keeping Books and Accounts of Financial Transactions

Accounting begins with basic recordkeeping of financial transactions. Community- and faith-based organizations typically use one of two types of accounting systems to handle their financial transactions: cash basis and accrual basis. The cash basis system relies mainly on the checkbook to track transactions. The amounts for and purposes of the transactions are recorded on the checks. As an organization grows, an accrual-based system may be used. Such a system uses journals and ledgers to track transactions (e.g., a receipt journal to track cash receipts and a disbursement journal or ledger to track checks). The journals and ledgers are helpful when developing a "chart of accounts" that some funders review when making funding decisions.

What Is a Chart of Accounts?

The chart of accounts is a listing of all accounts. Each financial transaction is posted to a chart of accounts according to a particular category. Numbers are assigned to each transaction. For example, you may want to track your expenditures for office supplies and salaries. To do this, you will have to determine the category in which this expenditure fits and then assign an account number to the expenditure. There is no set way to design your chart of accounts or series of account numbers. The chart usually has five categories: assets, liabilities, net assets (or fund balances), revenues, and expenses. Account numbers usually result from the types of revenues and expenses that your organization expects to use most frequently.

For example, suppose your organization has three programs: counseling, tutorial, and recreation. Each program receives its own account code:

Name of Program	Account Code
Counseling	01
Tutorial	02
Recreation	03

Prefixes can then be added to each of these codes for each expense item within each program, for example:

- Salaries for counselors would appear in the chart of accounts as 7210-01.

Expense	Account Code
7210 (Salary)	-01 (Counseling)

- Supplies for the recreational program would be posted to 7710-03.

Expense	Account Code
7710 (Supplies)	-03 (Recreation)

You can even keep track of sublevels of expenses by adding a third tier of coding to the account number. For example, if you have a tutorial program at two schools, then you might assign "A" to the first school and "B" to the second school. So, in the chart of accounts, salaries for tutors at each school would be designated as 7210-02-A and 7210-02-B:

Expense	Account Code	Site
7210 (Salary)	-02 (Tutorial)	-A
7210 (Salary)	-02 (Tutorial)	-B

Table 1 presents an example of a chart of accounts.

Table 1. Sample of Chart of Accounts

Assets		Expenses	
1010	Cash	7110	Salaries and Wages of Officers, Directors, etc.
1011	Checking Account		
1012	Petty Cash	7210	Other Salaries and Wages
1020	Savings and Temporary Cash Investment		
1030	Accounts Receivable	7310	Payroll Taxes, etc.
1040	Allowance for Doubtful Accounts	7311	FICA Payments (Employer's Share)
1050	Pledges Receivable	7312	Unemployment Insurance and Taxes
1060	Allowance for Doubtful Accounts	7313	Workers' Compensation Insurance
1070	Grants Receivable	7314	Disability Insurance
1130	Prepaid Expenses	7519	Accounting Fees
		7520	Audit and Accounting Fees
1610	Land	7521	Bookkeeping Services (Outside)
1620	Building	7522	Payroll Services (Outside)
1640	Equipment	7523	Bank Service Charges
Liabilities		7710	Supplies
2010	Accounts Payable		
		7810	Telephone
2410	Loans From Trustees and Employees		
		7910	Postage and Shipping
2510	Mortgage Payable		
		8010	Occupancy
Net Assets		8011	Office Rent
3100	Current Unrestricted Net Assets	8012	Janitorial and Similar Service Fees
Revenue		8110	Equipment Rental and Maintenance
4010	Contributions (Direct Mail)		
4050	Special Events (Gift Portion)	8210	Printing and Duplication
		8220	Publications
4100	Donated Services and Use of Facilities		
		8310	Travel
4220	Corporate Grants		
4230	Foundation Grants	8710	Insurance
4232	Sponsorship Fees	8712	Scholarships
4510	Government Contributions		
5040	Sales to Public of Program-Related Inventory		
5060	Other Program Service Fees		
5110	Social Enterprises		

Source: Adapted from Nonprofit Management Group, Department of Public Administration, Baruch College/City University of New York.

The Budget

The budget directs fiscal management and operations. To manage the budget properly, nonprofit organizations must understand several terms: revenue, support, expenses, and net operating income.

Revenue and support are two types of income. Revenue is income that the organization has earned or received through investments. Support is income that the organization has received through grants and donations. Revenue and support can be broken down by the specific source of income.

Expenses are usually separated into personnel and nonpersonnel. Depending on the structure of your organization, salaries may be included as part of expenses for specific programs and administrative costs and fees. Expenses for each program stem from direct costs of delivering services—such as supplies, travel, and consultant fees—to the client. Some indirect costs, such as rent, may also be allocated to these programs. Many indirect costs are included in the administrative cost line. The expenses covered in each line vary among organizations.

Net operating income is the amount of income you expect to realize after payments of mortgages, taxes, insurance, operating fees, and other such expenditures.

Most funders set reporting requirements when it comes to the budget. Many require independent audits or 2-year financial reports. Audits should be performed every year by a CPA. The auditor should be changed every 3 years to ensure accuracy and thoroughness.

Budgets can be used as a diagnostic tool, giving you the predictive intelligence to detect problems before they have major financial consequences and helping you move from reactive to proactive, profitable financial management. The creation and execution of a budget that supports your organization's strategic goals and drives decisionmaking is an important part of your organization's success in delivering on its mission.

Of the items contained in a budget, here is a list of only the core elements:

- Personnel (e.g., full-time staff, part-time staff with fringe benefits, volunteers)
- Supplies
- Equipment (if more than $1,000 per item)
- Equipment leases
- Occupancy cost for space
- Travel (local and out of town)
- Training (e.g., conferences, workshops, trainers)
- Other expenses that relate to the program (e.g., telephone service, postage)

Table 2 displays a sample budget.

Samples of other budgets are available online from the Nonprofit Financial Center: http://www.nfconline.org.

Best Practices

- Keep good records, including copies of all receipts and expenditures. Make sure that all financial data are kept up to date and use generally accepted accounting principles.
- Meet reporting requirements of funders. Create a monthly report of all financial activities. The report should be made available during each board meeting. Specific reports can also be sent to funders if requested.
- Always use funds as they are budgeted.
- Don't hesitate to ask the funding source for help when preparing your budget.
- Learn to leverage and diversify funds.
- Don't use a signature stamp to endorse checks. Doing so puts an organization at risk of potential criminal activity from board members and staff.
- Speak with the funder about money that can't be spent because of how it was budgeted. The funder may want it back or grant a no-cost extension.
- Involve all key stakeholders in the budgeting process.
- Track the status of the budget against actual performance.
- Monitor direct and indirect costs, including allocation of staff time to the program, administration, evaluation, and fund-raising activities.
- Ensure that the budget is driven by the mission and objectives and supports operations and evaluation.
- Ensure that the annual budget is tied to outcomes; aligns with available resources; includes staff input; and supports programs, administration, evaluation, and fund raising.

Table 2. Sample Budget

	2001–2002	2002–2003	2003–2004
Sources of Support			
Foundations			
Foundation A	$ 0	$ 7,000	$ 15,000
Bush Foundation (Proposal)	20,000	10,000	0
Foundation B	4,000	4,000	4,000
Foundation C	10,000	11,000	11,000
Corporations			
Corporation X	$ 1,000	$1,000	$ 2,000
Corporation Y	1,000	1,000	2,500
Business and Fraternal Groups	19,000	9,000	9,000
Individual Contributions	13,000	16,200	4,500
Government Grants	10,000	20,500	23,350
Religious Organizations	3,000	3,000	4,000
Fees (Contract, Professional)	14,550	16,000	24,700
Client Review	1,500	1,500	1,500
Total	***$ 97,050***	***$ 100,200***	***$ 101,550***
Expenses			
Staff Positions	$ 64,000	$ 66,400	$ 68,800
Fringe Benefits for Above	15,050	15,650	16,250
Rent	2,750	2,850	2,850
Telephone	1,000	1,000	1,000
Office Supplies and Equipment	1,750	1,850	1,400
Other			
Printing, Speakers, Training	9,100	9,200	7,800
Postage	900	950	950
Travel	2,500	2,300	2,500
Total	***$ 97,050***	***$ 100,200***	***$ 101,550***

Source: Ford Foundation (http://www.fordfound.org).

- Ensure that your business is governed by written financial policies. For example, policies may cover investment of assets, internal control procedures, purchasing practices, compensation, expense account reporting, and earned income.
- Ensure that the fund development plan results in a diversified funding base.

Conclusions

A good, strong financial position is the foundation of any organization—especially community- and faith-based organizations. Such organizations have to keep a close watch on limited funds, and demonstrate that they can effectively manage the funds and ensure that the funds are expended for the purpose that the funder designated. A thoroughly planned and implemented budget enhances the likelihood that your organization will be financially successful.

At the end of this booklet are worksheets and samples that can be used to help you with the process.

■ ■ ■

Handout 4A

Request for Payment

Check # ________ (Insert After Payment)

Date Payment Due ________________

Date Request Prepared ______________

Request for Payment

Worksheet for Exercise

Name and Address of Vendor
ACE Window Washing Company
Boise, Idaho

Description of What Is Being Paid	Funding Code	Program Code	Account Number	Amount Due
	SAMHSA Code A-01	Residential services: 200	Occupancy cost: $1,200	
Total Due				

Requested by ______________________________ **Approved by** ______________________________

Note: Stamp PAID once check is written.

Check # ________ (Insert After Payment)

Date Payment Due ________________

Date Request Prepared ______________

SAMPLE Request for Payment

(To be completed once a bill or invoice is received for services or goods)

Name and Address of Payee
XYZ Printing and Graphics
1601 West Pennsylvania Avenue
Washington, DC 11111

Description of What Is Being Paid	Funding Code	Program Code	Account Number	Amount Due
Example: T-shirts for summer picnic	What funding source will pay for this? Example: Code A-01 (ACF)	What is the program code? Example: Code 2-01 (mentoring)	What number from the chart of accounts fits this?	Must be same amount as on the invoice(s)—attached
Note: More than one bill or invoice can be attached to form				
Total Due				

Requested by ____________________________
(The person who gets the bill or wants it to be paid)

Approved by ____________________________
(The person who can approve the payment)

Note: Stamp PAID once check is written.

Handout 4B

How To Manage Other Peoples' Money: Fiscal Policies and Procedures

Storage of Checks

To prevent theft of unused checks, all unused checks are stored in a locked cabinet in a secure place until they are needed.

All checks returned from the bank are stored in the accounting or finance department until the audit for that year is completed, at which time all canceled checks are boxed and stored in a designated area.

Signing Checks

All checks must have two signatures. One should be the signature of the board president, and the other can be that of the executive or associate director. In the absence of the executive director, the board should give another person (e.g., finance manager) the authority to sign checks, as long as that person is not related to either of other signers.

The executive director and other signers can sign checks made payable to themselves only for payroll and mileage. All other checks must be signed by one of the other signers.

Voiding Checks

Voided checks are clearly marked "Void," and the signature area is removed to prevent fraudulent use.

The obligation associated with the voided check is then canceled in the accounts payable ledger to remove the item from the outstanding payables list.

Approving Vouchers

Vouchers are used to facilitate the consistency of payment input to automated accounting software. They are used to ensure that all the necessary data are present when payments are processed.

The person in charge of the program requesting the payment must sign requests. The executive director must also sign the requests to be kept abreast of all spending. The financial manager completes requests for payment to vendors, such as utility companies, and other general agency-wide payments.

All requests should be reviewed for proper cost center and account number accuracy, supporting documentation, and proper authorization before input into the recordkeeping system.

All check requests (vouchers) must be approved by the executive director. In the absence of the executive director, the person designated by the board as next in charge will approve check requests.

Acceptable documentation required with all check requests includes invoices, receipts, statements, bills, contracts, authorized memos, and authorized reimbursement forms. These documents should display amounts and vendors that match the amounts and vendors identified on the check request.

Invoices

To prevent duplicate payments, all invoices and vouchers are marked "Paid" when checks are written.

All paid invoices are filed in the executive of finance manager's office until year-end. At that time, all invoices are boxed in alphabetical order and stored securely until after that year's audit. When the audit has been completed, the invoices are stored in a secure place and marked clearly with a destruction date. (Financial records are usually kept for 7 years.)

Signature Stamps

Signature stamps are used in the absence of an approved signer to prevent delays in vendor and staff payments. However, this is discouraged unless one of the signers is frequently absent or on travel. Stamps should be kept in a locked storage area and used for only one of the two signatures.

Use of Stamps

The stamp for the board's chair is used for all checks under $XXXX (to be determined by the board). This stamp can be used for checks over $XXXX (to be determined by the board) without the chair's approval for specific items, such as health insurance and payroll taxes ONLY (to be determined by the board). All checks over $XXXX must have the written approval of the board's chair before the stamp can be used.

Petty Cash

All petty cash funds are to be kept in a locked drawer and kept by a person designated and approved by the board (if approved by and not related to the executive director).

Each time an expenditure is made from the petty cash fund, a petty cash voucher will be completed. The following information will be included on the petty cash voucher: date, amount, purpose, expense account number (including cost center), signature of the person approving and disbursing the petty cash, and signature of the person/company receiving the petty cash. All receipts and documentation supporting the expenditure will be attached to the petty cash voucher. Upon completion, the petty cash voucher will be placed in the locked drawer with the remaining petty cash until the petty cash fund is replenished.

To replenish the petty cash fund, a check request is completed. The check request will equal the total of the completed petty cash vouchers in the drawer. The expenditures will be summarized and coded appropriately, and the required authorizations must be obtained. The check will be made out to "Petty Cash" and cashed at the nearest bank by the designated employee.

The drawer should always contain the total of the petty cash fund in either cash or completed petty cash vouchers. Appropriate personnel will make unscheduled audits of each fund periodically.

Revenue and Accounts Receivable

Billing for all funding sources is completed during the first week of each month for previous month. Once mailed, revenue expected is entered, and accounts receivable are set up. Revenue and accounts receivable are audited quarterly by the assistant financial manager for accuracy.

Cash Receipts

The office manger receives all incoming checks, date stamps them, and forwards them to the financial manager. The financial manager makes copies of each item and records them in the deposit book and on the cash receipt list. All checks are deposited within 72 hours of receipt. At the end of each month, all cash receipts are entered. Cash receipt logs and copies of deposited checks are kept in the financial manager's office until year-end audits are complete. Once audited, all cash receipt binders are stored in a secure place.

Asset Capitalization

Single purchases over $5,000 must be capitalized in accordance with accounting standards. All other furniture and equipment purchases will be expensed to the cost center identified.

Purchasing and Procurement

Any single purchase over $5,000 must go out for bid before the purchase can be made; at least two bids must be acquired.

Destruction of Material

All accounting data are to be kept for a period of no less than 7 years. After such time, the data can be destroyed by a licensed company.

Payroll Guidelines

All completed timesheets are due in the Payroll Department by 4:00 p.m., 2 days after the last day of each pay period.

Timesheets must be signed by the employee and the employee's direct supervisor.

No overtime is paid.

All questions from employees about the payment of time should be directed to their direct supervisor. If the supervisor is unable to answer the employee's question, the supervisor should contact payroll.

Because timesheets are considered permanent records, the employee and supervisor must fill out the timesheet correctly and legibly and in ink.

All full-time employees accrue 15 days of Leave With Pay (LWP) during their first year of employment and one additional day every year thereafter. The assistant financial manager tracks each employee's LWP time on a Lotus spreadsheet. LWP time is also listed on the employee's check stub for personal reference.

Handout 4C

Billing Statement

CONTRACT NO.: Insert Project Number
INTERNAL CONTRACT: Insert Project Name

		Budgeted		Current		Cumulative		Balance	
Direct Labor	**RATE**	**HOURS**	**COST**	**HOURS**	**COST**	**HOURS**	**COST**	**HOURS**	**COST**
Name	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0.00
Name	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0.00
Name	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0.00	0.00	$0.00
Total Labor		**0.00**	**$0.00**	**0.00**	**$0.00**	**0.00**	**$0.00**	**0.00**	**$0.00**
Fringe	0.00%		$0.00		$0.00		$0.00		$0.00
Overhead (OH)	0.00%		$0.00		$0.00		$0.00		$0.00
Other Direct Costs (ODCs)			**$0.00**		**$0.00**		**$0.00**		**$0.00**
Office Expenses	52000		$0.00		$0.00		$0.00		$0.00
Supplies	52100		$0.00		$0.00		$0.00		$0.00
Telephone/Fax/Cell	52200		$0.00		$0.00		$0.00		$0.00
Postage	52310		$0.00		$0.00		$0.00		$0.00
Shipping	52320		$0.00		$0.00		$0.00		$0.00
Messenger	52330		$0.00		$0.00		$0.00		$0.00
Photocopying	52410		$0.00		$0.00		$0.00		$0.00
Printing	52420		$0.00		$0.00		$0.00		$0.00
Technical Consultants	53300		$0.00		$0.00		$0.00		$0.00
Temporary Labor	53400		$0.00		$0.00		$0.00		$0.00
Honoraria	53900		$0.00		$0.00		$0.00		$0.00
Computer Rental	54100		$0.00		$0.00		$0.00		$0.00
Total ODCs			**$0.00**		**$0.00**		**$0.00**		**$0.00**
Total Direct Costs			**$0.00**		**$0.00**		**$0.00**		**$0.00**
Award Incentive Fee			**$0.00**						**$0.00**
General & Administrative Expenses	0.00%		$0.00		$0.00		$0.00		$0.00
Fee	0.00%		$0.00		$0.00		$0.00		$0.00
Final Total for Task			**$0.00**		**$0.00**		**$0.00**		**$0.00**

Handout 4D

Chart of Accounts

Natural Accounts	Description	Account	General Ledger Category
	ASSETS		
1000	*Cash and Cash Equivalents*		
1001	Operating Bank Accounting	Bank	Assets
1002	Payroll Accounting	Bank	Assets
1003	Petty Cash	Bank	Assets
1004	Sinking Fund Reserve	Bank	Assets
1005	Replacement Reserve	Bank	Assets
1006	Client Payeeship Account	Bank	Assets
1007	Client Damage Deposit Account	Bank	Assets
1200	*Securities*		
1201	Marketable Securities	Investment	Assets
1300	*Accounts Receivable*		
1301	Contracts Receivable	Acct. Receivable	Assets
1302	Grants Receivable	Acct. Receivable	Assets
1303	Pledges Receivable	Acct. Receivable	Assets
1304	Employee Advances Receivable	Acct. Receivable	Assets
1305	Inter Fund/Company Receivable (Due From)	Pass Through	Assets
1306	Other Receivable	Acct. Receivable	Assets
1307	Allowance for Doubtful Account	Contra-Asset	Contra-Assets
1400	*Prepaid Expenses*		
1401	Prepaid Insurance	Prepaid Expense	Assets
1402	Prepaid Maintenance	Prepaid Expense	Assets
1403	Prepaid Property Tax	Prepaid Expense	Assets
1404	Prepaid-Others	Prepaid Expense	Assets
1500	*Other Current Assets*		
1501	Other Current Assets	Other Assets	Assets
1600	*Fixed Assets*		
1601	Land	Fixed Asset	Assets
1602	Building	Fixed Asset	Assets
1603	Leasehold Improvement	Fixed Asset	Assets
1604	Furniture and Fixtures	Fixed Asset	Assets

Natural Accounts	Description	Account	General Ledger Category
1605	Equipment	Fixed Asset	Assets
1606	Vehicles	Fixed Asset	Assets
1650	*Depreciation*		
1652	Accumulated Depreciation - Building	Accum. Deprec.	Contra-Assets
1653	Accumulated Depreciation - Leasehold	Accum. Deprec.	Contra-Assets
1654	Accumulated Depreciation - Furniture	Accum. Deprec.	Contra-Assets
1655	Accumulated Depreciation - Equipment	Accum. Deprec.	Contra-Assets
1656	Accumulated Depreciation - Vehicles	Accum. Deprec.	Contra-Assets
1700	*Intangibles*		
1701	Loan Fees	Intangible	Assets
1702	Organization Costs	Intangible	Assets
1750	*Amortization*		
1751	Accumulated Amortization - Loan Fees	Amortization	Contra-Assets
1752	Accumulated Amortization - Organization Costs	Amortization	Contra-Assets
1800	*Other Assets*		
1801	Deposits - Workers' Compensation	Other Assets	Assets
1802	Deposits - Others	Other Assets	Assets
	LIABILITIES		
2000	*Current Liabilities*		
2001	Accounts Payable	Current Liabilities	Liability
2002	Deferred Revenue	Current Liabilities	Liability
2003	Current Portion - Long-Term Debt	Current Liabilities	Liability
2004	Payroll Payable	Current Liabilities	Liability
2005	Taxes Payable	Current Liabilities	Liability
2006	Accrued Vacation	Current Liabilities	Liability
2007	Client Payeeship	Current Liabilities	Liability
2008	Refundable Damage Deposit	Current Liabilities	Liability
2009	Garnishments	Current Liabilities	Liability
2300	*Due to - Due From*		
2305	Due to Other Funds	Pass Through	Liability
2400	*Long-Term Liabilities*		
2401	Mortgage Payable	Long-term Liabilities	Liability
2402	Loan Payable	Long-term Liabilities	Liability

Natural Accounts	Description	Account	General Ledger Category
2403	Notes Payable	Long-term Liabilities	Liability
2404	Capital Leases	Long-term Liabilities	Liability
3000	*Net Assets*		
3001	Unrestricted Funds - Beginning of Year	Net Assets	Equity
3002	Temporarily Restricted Funds - Beginning of Year	Net Assets	Equity
3003	Permanently Restricted Funds - Beginning of Year	Net Assets	Equity
3101	Unrestricted Funds - Year to Date (YTD)	Net Assets	Equity
3102	Temporarily Restricted Funds - YTD	Net Assets	Equity
3103	Permanently Restricted Funds - YTD	Net Assets	Equity
	REVENUES		
4000	*Government Contracts and Grants*		
4010	Federal Government	Income	Revenue
4020	State Government	Income	Revenue
4030	County Government	Income	Revenue
4040	City Government	Income	Revenue
4100	*Foundation Grants*	Income	Revenue
4200	Corporate Grants	Income	Revenue
4300	Other Grants	Income	Revenue
4400	*Contributions*		
4410	Individuals	Income	Revenue
4420	Faith Group	Income	Revenue
4430	Civic/Community Groups	Income	Revenue
4440	Business	Income	Revenue
4450	Miscellaneous Donations	Income	Revenue
4500	*Special Events*	Income	Revenue
4600	*Rental Income*		
4610	Tenant Rent	Income	Revenue
4620	Subsidized Rent	Income	Revenue
4630	Vacancy Loss	Income	Revenue
4640	Other Rental Income	Income	Revenue
4700	*Investment Income*		
4710	Interest Income	Income	Revenue

Natural Accounts	Description	Account	General Ledger Category
4750	*Unrealized Gain/Loss*	Income	Revenue
4800	*Management Fees*	Income	Revenue
4850	*Other Income*	Income	Revenue
4900	*In-Kind Revenue*	Income	Revenue
5000	*Net Assets Released From Restriction*	Income	Revenue
	EXPENSES		
6100	*Salaries and Wages*		
6010	Management Salaries	Disbursement	Expense
6020	Administrative Salaries	Disbursement	Expense
6030	Direct Service Staff Salaries	Disbursement	Expense
6550	*Payroll Taxes and Benefits*		
6110	Employer FICA	Disbursement	Expense
6120	SUI (Unemployment)	Disbursement	Expense
6130	Workers' Compensation	Disbursement	Expense
6140	Health and Disability Insurance	Disbursement	Expense
6150	Life Insurance	Disbursement	Expense
6160	Vacation	Disbursement	Expense
7000	*Professional Services*		
7010	Legal	Disbursement	Expense
7020	Audit's Temporary Personnel	Disbursement	Expense
7030	Other Professional or Contract Services	Disbursement	Expense
7200	*Occupancy*		
7210	Rent	Disbursement	Expense
7220	Utilities	Disbursement	Expense
7230	Insurance	Disbursement	Expense
7240	Janitorial Services	Disbursement	Expense
7250	Maintenance and Repairs	Disbursement	Expense
7300	*Other Operating*		
7310	Printing and Copying	Disbursement	Expense
7312	Office Supplies	Disbursement	Expense
7313	Equipment (Under $500)	Disbursement	Expense
7314	Postage	Disbursement	Expense
7315	Communication (Telephone, Cell Phone, Fax)	Disbursement	Expense

Natural Accounts	Description	Account	General Ledger Category
7316	Mileage and Travel	Disbursement	Expense
7317	Meals and Entertainment	Disbursement	Expense
7318	Staff Development and Training	Disbursement	Expense
7319	Staff Recruitment	Disbursement	Expense
7320	Board Recruitment, Training, and Recognition	Disbursement	Expense
7321	Special Events	Disbursement	Expense
7322	Donor Recognition	Disbursement	Expense
7323	Licenses/Taxes/Fees	Disbursement	Expense
7324	Dues and Subscriptions	Disbursement	Expense
7400	*Direct Client Assistance*		
7410	Food	Disbursement	Expense
7420	Household Supplies and Furnishings	Disbursement	Expense
7430	Transportation	Disbursement	Expense
7440	Education/Vocational/Employment Assistance	Disbursement	Expense
7450	Move-In Costs	Disbursement	Expense
7460	Rental Assistance	Disbursement	Expense
7470	Other Client Assistance	Disbursement	Expense
7700	*Miscellaneous*		
7710	Depreciation/Amortization	Disbursement	Expense
7720	Bad Debt Expense	Disbursement	Expense
7730	In-Kind Expense	Disbursement	Expense

Handout 4E

Glossary of Terms for Managing Finances

Accounts Payable (or Payables)
Money owed by an organization, according to bills or invoices already received.

Accounts Receivable (or Receivables)
Money owed to an organization, corresponding to bills or invoices that have already been sent out.

Accrual Accounting/Budgeting
The accounting/budgeting system that records revenue when it is earned, expenses when they are incurred, and the cost of using fixed assets—such as buildings or equipment—as opposed to Cash Accounting/Budgeting, which is defined below.

Allocation of Costs
In a cost or fund accounting system, the assignment of costs to different programs, operating centers, or types of services. For example, the accounting system may allocate 50 percent of the training coordinator's salary to "Overhead" and then allocate 10 percent to each of five different programs.

Asset
Anything with value that helps an organization provide services to clients. Examples of assets include cash, land, buildings, equipment, inventories (of supplies or goods for sale), furniture, and money owed to the organization (i.e., "receivables"). See "Current- or Short-Term Assets" and "Fixed- Long-Term Assets."

Balance Sheet
The financial report that summarizes the value of the assets, liabilities, and equity (or reserves, in nonprofits) of an organization at a specific point in time.

Bank Reconciliation
Adjustment of the balance of a bank account according to the bank statement to reflect deposits made and checks that have been drawn but not yet cleared by the bank.

Budget Performance Report
A report that compares actual revenues and expenses with those projected in the budget.

Capital Costs
Costs incurred when acquiring, constructing, or renovating long-lasting assets, such as land, buildings, and large equipment.

Cash Accounting/Budgeting
The accounting/budgeting system that records revenue only when it is received and expenses only when they are paid (as opposed to "Accrual Accounting/Budgeting").

Cash Flow Statement
A statement that forecasts and tracks cash receipts and disbursements.

Chart of Accounts
The structure within the accounting system that lists the programs, operating centers, and categories by which revenues and expenses will be recorded and displays the number of each line item.

Consolidated Budget
A budget that unifies information on projected revenues and expenses from a variety of donors, programs, or facilities within the same institution.

Controls ("Financial" or "Internal")
All procedures and rules that guard against corruption, theft, misuse, and inappropriate use of funds or other resources.

Cost-Effectiveness (or Cost-Benefit) Study
A method of measuring the effectiveness of delivering services by comparing cost with impact using an indicator, such as Total Fertility Rate. The purpose of a cost-effectiveness study is to

identify program strategies that achieve the greatest impact for the least cost.

Current or Short-Term Assets
Assets, such as cash and office and medical supplies, that are typically used within a 12-month timeframe.

Depreciation
The practice of charging, as an annual expense, the portion of a long-lasting asset's useful life that is used up each year. For example, a $20,000 truck with an estimated life of 10 years will incur a yearly depreciation expense of $2,000.

Equity (or Reserves)
The net worth of the organization, calculated by subtracting the value of its liabilities from the value of its assets.

Expenditures
In cash accounting, actual disbursements of cash or checks.

Expenses
All costs incurred in operating a program. In an accrual system, an expense is recorded in the accounting system when it is incurred, before cash is actually expended to pay the bill.

Financial Statement
The financial report covering a period of time (month or year) that summarizes the income and expenses ("Income and Expense Report") and assets and liabilities ("Balance Sheet").

Fixed Costs or Expenses
Costs that do not vary with the quantity of people served or services delivered, such as main office expenses, insurance, rent, or interest on a mortgage.

Fixed- or Long-Term Assets
Assets—such as land, buildings, furniture, and large pieces of equipment—that have a useful life of longer than 12 months.

Fund Accounting
An accounting system that tracks expenses and revenues for different donor accounts.

Fund Balance (or Net Assets)
In a nonprofit organization, this represents the value of revenues minus expenses.

Imprest Fund
Fixed cash flow that is set aside for small immediate cash outlays and replenished periodically in accordance with the amount expended.

Income and Expense Report (or Revenue and Expense Report, Income Statement, or Profit and Loss Statement)
A periodic summary report of income and expenses, showing a surplus (profit) or deficit (loss) for the period covered by the report.

Liabilities
The obligations or debts owed to suppliers, employees, banks, or the government.

Line Item
The category in a budget, chart of accounts, or financial statement that represents an account used to record transactions for a particular type of income, expense, asset, or liability.

Net Operating Income
The amount of income realized after payments of mortgages, taxes, insurance, operating fees, and other such expenditures.

Operating Center
Any logical division of the operations of a program, such as a department, a clinic, or one region.

Overhead Costs
The operating costs of an organization that are not already directly charged to a project (e.g., building maintenance and utility expenses). A portion of these costs can sometimes be charged to a project.

Paper Trail
Records of the movement of resources (e.g., human, financial, and material) that allow them to be traced and accounted for.

Petty Cash
A form of imprest fund, whereby a fixed cash flow is set aside for small immediate cash outlays and is replenished periodically as it is used.

Receipts
In cash accounting, this term refers to cash received.

Recurrent Expenses (or Operating Expenses)
Costs incurred regularly, year after year.

Revenues
Monies, or the equivalent, received from sales, services, fees, donations, and grants. In the case of grants, only the portion that has been spent is actually revenue; the balance may have to be returned to the donor. In accrual systems, revenues are recorded when they are earned, not when the actual cash or goods are received.

Support
Income that an organization receives through grants and donations.

Variable Costs or Expenses
Expenses that vary according to the level of service provided or number of people served.

Vehicle Usage Report
A log that records the use of a vehicle. The report includes the date, destination, purpose of the trip, beginning and ending odometer readings, petrol purchases, and repairs. It is used to calculate the cost per mile or kilometer and to control and monitor costs.

EMPOWERING AMERICA'S GRASSROOTS

HHS-SAMHSA

Faith-Based and Community Initiative

A Life in the Community for Everyone

SAMHSA

Substance Abuse and Mental Health Services Administration

U.S. Department of Health and Human Services

DHHS Publication No. (SMA) 08-4340

Printed 2008

Sustaining Grassroots Community-Based Programs: A Toolkit for Community- and Faith-Based Service Providers

5 Sustainability Strategies: Fund Development and Fundraising

"The money that government gives us to deliver programs in our community does not cover the cost of program operation. We have to use our United Way grant and fundraise to make up the difference. Every year it gets harder to make ends meet and we cut back a little more. The most frustrating part is that despite all our work to raise funds, we have no money to address local community issues. Our local school and the mall merchants cannot understand why we cannot help stop the recent rash of vandalism in our community before it becomes chronic."

—Community Social Planning Council of Toronto 2004

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Volunteers at Samaritan Inns provided recovery support services to homeless people seeking to conquer their addictions, in an operation funded entirely by contributions from church members. They were so successful that city leaders encouraged them to expand and told them it was possible to get reimbursement from the government.

After much debate and prayer, Samaritan's leaders put their toes in the water and started accepting reimbursements for serving homeless people referred by city treatment agencies. At a meeting with other providers in the government program, they got the idea of asking a local theater to donate proceeds from a special performance to Samaritan Inns. The theater director agreed, and the benefit performance was a great success. The leaders of Samaritan Inns decided to hire a part-time director of fund raising and see how much farther they could go to build their services to the homeless citizens of their city.

Developing a sustainable funding base is a recurring issue facing small grassroots organizations. A solid financial base ensures that essential services will continue even if a major piece of funding is lost. Financial sustainability requires seeking out a variety of funding sources and developing long-term strategies to ensure a continuous flow of funds to support the organization's mission and programs.

Unfortunately, waving a magic wand will not result in financial sustainability: A simple solution doesn't exist. Having only one source of funding is probably not enough, and funds from grants will not last forever. However, an organization can start planning for sustainability by developing a funding plan and choosing the most appropriate funding sources for the work it does and the objectives it wants to achieve.

Fund development planning is part of the strategic planning process. It helps an organization look realistically at its needs and a variety of diverse funding options, such as donations, grants, contracts, entrepreneurial and earned-income strategies and activities, and sales of goods and products. A fund development plan also dictates a course of action for an organization and provides a systematic way to identify key stakeholders and donors who can help address community problems and are passionate about their work.

This toolkit provides information on basic components of effective fund raising, fund development and diversification, and developing sustainable relationships. It also addresses two other funding strategies: business ventures (e.g., entrepreneurial and earned-income ventures) and tax credits.

Planning for Fund Raising and Fund Development

First, your organization should have a clear understanding of its funding needs, the specific projects to be funded, and the amount of money that is needed. You should also have an idea of what types of fundraising strategies and activities to use. To get started with this process (if you have not already done this in the strategic planning process), your organization should:

- Select board members, staff, collaborative partners, and stakeholders to serve on a fund development committee or team.
- Set a funding goal. Determine the total amount of money to be raised. Develop an income and expense budget. Calculate expenses against expected revenue, or return on investment (ROI). Be realistic.
- Develop procedures for the committee and assign tasks related to the mission and goals.
- Develop a strategic funding plan and select strategies to support the mission and programs.
- Outline action steps and timelines to accomplish goals.
- Implement plans and activities.
- Decide how many donors are needed to meet the goal, and select the best strategies to reach donors.
- Use resources that already exist in your organization. Don't overextend staff and resources.
- Identify strengths and weaknesses of your organization. If you have begun the strategic planning process or have conducted an organizational assessment or a SWOT analysis, then you already know your organization's strengths and weaknesses and opportunities and threats.

The following tables will help your organization with the fund development process. Table 1 displays a planning grid that will help you to identify funding sources, strategies, desired results, proposed changes, and resources needed.

Table 2 offers a sample template for a fund development plan that can be adapted to fit your organization.

Diversifying Funding Sources

Second, your organization should consider diversifying its funding sources. Using a combination of sources will help to ensure long-term financial sustainability for vital programs.

Diversifying funding sources provides your organization with a flexible funding base that accommodates multiple sources of funding support and taps into a wide array of funding options that are consistent with the mission, goals, and core services. When seeking out funding sources, be mindful that some may come with specific guidelines or expectations about targeted populations and/or required outcomes.

Table 1. Planning Grid of the Fund Development Process

Sources and Funds	Strategies	Results	Strengths	Weaknesses	Proposed Changes	Resources Needed
• Individuals • Corporations • Grants • Donors • Special events • Internet donations	• Meetings with individuals, corporations, and donors • Grants • E-mail • Direct mail • Donor lists • Events • Newsletters	• Money raised • Donors provided support • Franchise acquired	• What worked well?	• What needs to be improved?	• What changes are needed?	• What resources are needed to make desired improvements?

Source: Adapted from Simone Joyaux, September 2003.

Table 2. Sample Template for a Fund Development Plan

Fund Development Goals		
Short-Term Goal(s)	**Mid-Term Goal(s)**	**Long-Term Goal(s)**

Key Potential Donors/Funding Sources	
Donors/Funding Sources	**Strategies**

Fund Development Committee	
Names	**Roles**

Two key elements of sustainability are knowing what income streams are available and being open to new approaches. By participating in the strategic planning process, your organization should have a sense of how much money it needs for specific projects. The next step is to understand the kind of money that is available. Different funding streams are accessed and managed in different ways and involve different relationships with individuals and funders. Financial sustainability can involve all potential funding streams or a limited number of funding streams, depending on the needs of your organization. Organizations must understand the different types of funding streams available and which ones are most appropriate. Table 3 provides examples of typical funding sources and advantages and disadvantages of each.

Developing Sustainable Relationships and Partnerships

Finding the right funding source to support the organization's mission is important, but building sustainable relationships with funding sources is even more important.

They need to get acquainted with you, learn about your vision, mission, and accomplishments. That means they need to meet you and talk with you, and this won't happen unless you take the steps necessary to introduce yourself to them and tell them your story.

Building sustainable relationships is the core of fundraising and fund development. Through these critical relationships, your organization's vision can be realized and its mission achieved. Community- and faith-based organizations use various types of partnerships and relationships to facilitate their ability to conduct their work.

Many grassroots community- and faith-based organizations depend on individual and corporate donors. Donors are people who give money for causes to increase the well-being of others and to demonstrate their commitment to addressing problems in the community. Most do this to maximize their investment and build capacity in the community. Through donors, the public learns of your organization, helping it to establish visibility and credibility.

Knowing how to attract, nurture, and sustain relationships with donors may be the key to keeping your organization going.

Table 3. Advantages and Disadvantages of Typical Funding Sources

Funding Sources	Advantages	Disadvantages
Individuals	• Largest source of giving • Ongoing source one can build • Once a giver, also an advocate • Volunteers are a good source of money	• Costly to develop; small return per individual unit • Hard to generate unless broad-based direct service appeal • Risky for the inexperienced • Need significant assistance from the organization's board and volunteers
Large Family Foundations	• Source of large sums of money • Accessible, professional staff • Clear guidelines and process • Most likely to research your request • Board volunteers can help but are not always key	• Start-up funds only • Lengthy application process • More difficult to access through personal influence • Proposals may be longer
Community Foundations	• Similar to large family foundations • Staff may be sufficient	• Host of foundations within foundations • Most money is earmarked or allocated to special funds
Small Family Foundations	• May fund ongoing operating expenses • Personal influence with board members helps • Guidelines often broad • Not very concerned about grant format	• Hard to access; no professional staff • Often not large sums of money • May not be possible without personal influence
Large Corporations/Corporate Foundations	• Can be source of large sums of money • Smaller amounts of money may be ongoing • Often accessible and professional staff • May be tied to volunteer involvement • Business strategy may be clear • Source of cause-related marketing	• Large sums of money aren't ongoing • Hard to get around staff • Must be within their guidelines • Not likely to contribute if not headquartered locally or have a public consumer base • Often want board representation
Small Corporations	• Very informal approach • Money may be ongoing • Personal connections will suffice • Neighborhood focus will help	• Small amounts of money • Narrow range of interest • Personal contacts are key
Federated Funds (United Way, United Arts, Combined Health Appeal)	• Steady source of relatively large sums of money • Clear process • Professional staff; can be agency driven	• Generally can't be a start-up organization • Must be a social service and fit a priority focus • Lengthy entry process • Time-consuming; must be part of yearly fundraising process, with periodic in-depth review

Table 3. Advantages and Disadvantages of Typical Funding Sources (continued)

Funding Sources	Advantages	Disadvantages
Government	• Large sums of money possible • Clear process • Political clout helps • May be source of ongoing money	• Application procedures may be long and tedious • May only pay by unit of service, fluctuates • Unspent monies may have to be returned • Difficult recordkeeping
Faith-based and Community Organizations	• Often looking for group projects	• In-kind services most likely • Need to fit their service focus, usually a neighborhood or religious outlook

Source: Ellen M. Hatfield, Twin Cities in Minnesota, as cited in McNamara, C. *Overview of Nonprofit Fundraising Sources and Approaches.* Accessed November 15, 2007, at http://www.managementhelp.org/fndrsng/np_raise/fndraise.htm#anchor272695

Attracting Donors

Donors will not give to your organization simply because you hand out great brochures or have a dynamic Web site. Donors give because they believe in your work, and they expect that you will have the competencies to fulfill that work. Here are some points about getting donors to notice your organization:

- Get to know the donors first. Then express your appreciation in a way that speaks directly to them. Don't overdo or underdo it.
- Look for corporate donors. Identify key vendors in the community who might benefit from what your organization provides.
- Make an impression. If your organization is hosting a community event, a company might be interested in sponsoring the event. Doing so will expose the sponsor to the community and show that it cares about the community.
- Network with and get to know current donors. They are an excellent example of the types of donors that are interested in your organization.
- Tell your organization's story as often as possible and highlight the number of clients that have benefited from your program services.
- Discuss the benefits that a donor's contributions will have on the lives of consumers and on reaching the goals as an organization.
- Inform donors of their potential ROI—that is, what they will get as a result of investing in your organization. Be realistic.
- Discuss potential donors with the board of directors, key leaders, and volunteers. Do they know any people who might have a passion for the work of your organization? Of your current donors, establish a profile of what a "typical" donor might look like.
- Say it with numbers. Use statistics to show potential donors that services from your organization have the potential to improve the community (e.g., reducing rates of recidivism).
- Build bridges. Use effective strategies to reach out to donors. Look for opportunities to network with potential donors. Think of ways to develop

> *"Whether projects are talking about building partnerships, increasing community involvement, offering programs, or working with evaluators or government funders, the basic truths about building relationships seem to apply. From the first tentative steps of acquaintanceship, to the trust and faith that characterize mature friendships, the process of relationship building is slow and incremental but can never be taken for granted."*
>
> —Sylvestre 1998

relationships with potential donors. Develop communication strategies to educate and discuss with potential donors mutual causes, interests, desires, and benefits of a potential partnership.

- Generate a "win-win" opportunity. Donors don't give funds without strings attached. Understand what donors are looking for and then assure them that your organization can meet such expectations. Don't oversell your organization; donors are smart and appreciate honest and forthright information.
- Establish a case for support. Write a clear and compelling statement or document that describes why your cause is worthy of support, why fund raising and philanthropic gifts are needed, and what benefits specific people will receive as funds are spent.

Your organization should also be familiar with what donors look for:

- A cohesive plan with attainable goals and objectives
- Collaborations and partnerships
- A project that addresses a community need and/or problem
- Who is doing the work
- A proven approach to addressing the problem
- The geographical location of the project

Nurturing Relationships With Donors

Donors rarely give money at first contact. Instead, they are much more likely to give "out of a relationship." By building personal ties with donors—apart from money—your organization can lay the groundwork for a long-lasting partnership and repeat donations. Here are some ways to solidify a personal relationship with donors:

- Appreciate donors. Understand why donors give. Again, donors give out of a relationship. Donors have reasons as to why they give. Donors don't give without "strings attached." Know why they are giving.
- Send donors a thank you note for their donations or contributions.
- Invite donors to lunch or to your program events or contact them by phone.
- Once the bridge is built, find out if donors have friends who might be interested in supporting the organization.
- Understand a donor's commitment. Get to know why a donor is committed to the cause of your organization. Then search for these reasons in other possible donors.
- Involve donors. Today's donors want to get involved. Find ways to use their gifts and interests.
- Understand the roles of stakeholders. Understand the corporate sponsorship of a fund-raising event.
- Tailor communications that speak directly to the donor.

Benefiting From Donors

Your organization may benefit from donors in more ways than just receiving their donations:

- Professional coaching and mentoring
- Physical property or real estate
- Stock option contributions
- Sponsorship of fundraising events
- In-kind contributions (e.g., catering, door prizes)
- Royalty arrangements through which the name of your organization is associated with corporate products in exchange for a share of sales
- Shared resources of corporate executives and volunteer expertise
- Direct sales
- Sales of products from your organization under a donor's name
- Loans from corporate executives to volunteers involved in nonprofit activities

- Free advertising space
- Solicited donations
- Links between the organization, the fundraiser, and the donor

In this section we have not provided information on Federal, foundation, and corporate grant funding. For more information about writing SAMHSA grants, please go to SAMHSA's Web site: http://www.samhsa.gov. For information about other Federal grants, go to the Web site of the White House Office of Community and Faith-Based Initiatives: http://www.whitehouse.gov/government/fbci. For information about foundation and corporate grants, go to the Foundation Center's Web site: http://foundationcenter.org.

> *"You are surrounded by simple, obvious solutions that can dramatically increase your income, power, influence and success. The problem is, you just don't see them."*
>
> —Jay Abraham
> Marketing Consultant

Strategies for Business Ventures

Many nonprofit community organizations get into other businesses as a source of long-term funding. Entrepreneurial and earned-income ventures are two types of business ventures (or social enterprises) that an organization can choose to advance its mission. These are two of the largest sources of income that create a steady stream of unrestricted funding, thus aiding in sustainability and self-reliance.

Every community- and faith-based organization has opportunities for earned income within its programs and can build worth and value in those that they serve. Many operate thrift stores, automotive service shops, home repair businesses, and bakeries; offer childcare services and cleaning services; and have their clients as employees. This enables an organization to tap into the many potential assets and gifts, such as entrepreneurial ventures and earned-income possibilities, of its clients to benefit both itself and the client.

Considerations

Here are some questions to consider before launching a business venture:

- Will starting a business venture compromise your organization's mission? An initiative should never take an organization off its mission.
- What revenue assets does your organization have?
- What kind of business meets the needs of your mission?
- How much time and expertise are needed to develop, plan, and implement the new venture? Be realistic.
- Are the investment, time, and money worth making?
- Does your organization have the staff, networks, and business plan to be successful in the venture?
- If not, what will it take to acquire the needed knowledge, competencies, assets, and relationships?
- What are the particular gifts and talents of those who will receive services? Many organizations overlook the assets of clients. No one has more passion for what your organization does than those who receive its services.
- Which activities will likely generate earned income, and how will this occur?
- How will this new venture fit with the current culture of your organization?
- How much funding will the new venture generate, and what is the initial investment?
- Will this venture be valuable and attractive to consumers or the community?
- Does the venture satisfy a real need or one that is in high demand?

- What competitors provide the same services or products?
- Will consumers be interested in the new venture? Conduct a survey to help predict consumers' buying decisions.
- Are costs allocated appropriately?
- What are the results of the pilot test of the venture? What do the results say about the products and services?

Some Benefits of Business Ventures

Obviously, revenue is the main benefit of entrepreneurial and earned-income ventures. Your organization can use the revenue for many purposes, perhaps expanding and enhancing the most effective and needed programs. But aside from revenue, these ventures have additional benefits:

- Strengthens the mission of your organization by building on current activities, existing capabilities, and already-established relationships with stakeholders
- Pays your organization for what it already does and for those things that are valuable to others
- Develops an entrepreneur-like spirit and relationship between your organization and clients and community members
- Increases visibility for your organization and the business itself
- Empowers your clients and gives them self-respect and dignity by paying them for providing goods and services
- Increases the self-sufficiency of your organization, thus reducing its reliance on donations and grants
- Allows your organization to seek out and tap potential assets and gifts of clients that can benefit all stakeholders

Business Ventures: Franchise Opportunities

Owning a franchise is one way that community- and faith-based organizations can help to pave a path toward sustainability. It is also a unique opportunity for the franchiser to expand its market and tap into and benefit from qualified community organizations.

A franchise is a legal, commercial relationship with the owner of a business involving a trademark, service mark, trade name, or advertising symbol (see "Examples of Franchise Companies" and "Profile of a Franchise").

Through a franchise, an organization is authorized to sell goods and/or services of the parent company in either a retail space or a designated geographical area. Thousands of franchise concepts exist, such as fast food restaurants, children's educational programs, car washes, and gas stations.

When looking for the right franchise, your organization should answer several questions:

- What is your organization willing to give up and gain? Defining, researching, and testing the potential value of the proposition can help to answer this question.

Examples of Franchise Companies

7-Eleven
AIM Mail Centers
Ben & Jerry's
Coffee Beanery
Dunkin' Donuts
Krispy Kreme
Maggie Moo's
McDonald's Corporation
Merry Maids (ServiceMaster)
Moxie Java
ServiceMaster Clean
Ship N' Mail
TruGreen (ServiceMaster)

- What type of business are you looking for (e.g., food service, retail)?
- Is your organization ready for this service or product?
- Is the franchise well-suited for your organization's mission?
- Does the franchise fit with the culture of your organization?
- Are the franchise's products and services in demand?
- Is the franchise established and successful, and known in and accepted by the community?
- Who are the competitors that provide the same products and/or services?
- Will the franchisor offer your organization ongoing help and comprehensive training? (Your organization may have to pay a small part of the advertising costs.)
- Does your organization have the dedication and capital to invest to become a business owner?
- Has your organization searched the pockets of existing opportunities within other programs?
- How much funding will the venture generate?
- Who are the other investors?

Before making the decision, your organization should also consider doing the following:

- Conducting a survey to help predict the buying decisions of consumers
- Developing a strategic plan to manage expectations as the venture moves forward and to uncover unexpected complications, challenges, and problems
- Allocating costs properly
- Pilot testing the venture's products and/or services

No matter how much time and effort your organization puts into a venture, challenges are likely to arise, including:

- Keeping your mission intact
- Having too little capital to support the project
- Underestimating the value of products and/or services
- Underestimating the time and energy required for the venture
- Having too many competitors in the same geographical location with the same products and/or services

Examples of Community- and Faith-Based Franchise Owner/Partnerships

- Brentwood Baptist Church in Indiana leased space to an independent McDonald's, meaning the McDonald's Corporation did not own this particular restaurant. Although some parishioners are employed, the church has little involvement in the management of the business. The arrangement generates some revenue for the church.
- The Latin American Youth Center of Washington, DC, bought and operates a Ben & Jerry's franchise to provide job training opportunities for its clients. Opened under Ben & Jerry's PartnerShop program, the franchise is located in one of the district's affluent neighborhoods. The Center hired 15 of its clients (or full-time equivalents, depending on the season) to work at the franchise. It opened a second PartnerShop in Washington, DC, in 2004. For more information about Ben & Jerry's, see "Profile of a Franchise."

Profile of a Franchise

Name: Ben & Jerry's

Description:

Ben & Jerry's manufactures and distributes premium ice cream, frozen yogurt, and sorbet. The company possesses more than 260 franchise shops in the United States and was acquired by Unilever in 2000. Ben & Jerry's currently has franchise agreements with 15 organizations within its nonprofit PartnerShop program. The company opened additional nonprofit-owned franchises in 2004.

Ben & Jerry's benefits from its PartnerShop program:

- **Stable revenues.** Nonprofit-owned franchises typically have similar revenue levels compared to other franchise units.
- **Enhanced brand.** Ben & Jerry's nonprofit partners are consistent with its social commitment and culture, resonating with customer groups and building brand.
- **Higher employee morale.** Both corporate staff and field employees feel a stronger affiliation to the company as a result of its nonprofit partnerships.

Ben & Jerry's takes several key steps to set up its franchise agreements:

1. **Applicant recruitment.** Ben & Jerry's provides access to existing nonprofit-owned franchise units to potential applicants and actively seeks out appropriate nonprofit partners. Ben & Jerry's has developed a forum on its Web site for approved nonprofit organizations that helps address frequently asked questions and allows nonprofits to learn more about the PartnerShops program.
2. **Applicant assessment.** Ben & Jerry's screens all nonprofit applicants to ensure that the organizations are capable of operating a successful franchise unit. A representative from Ben & Jerry's visits all nonprofit applicants to assess organizational capacity, financial infrastructure, and community relations. Ben & Jerry's also calls up to 12 external references of the nonprofit organization before approving an application.
3. **Negotiations and signing.** Ben & Jerry's waives the franchise fees and reduces required royalty payments for nonprofit-owned franchises.
4. **Unit build-out.** Ben & Jerry's assists the nonprofit by providing site selection criteria and evaluating and approving all sites for franchise units.
5. **Unit launch.** Ben & Jerry's works with its nonprofit partners to create a community event around the launch of a new franchise unit. For example, the company assisted the Latin American Youth Center in gathering local politicians, as well as Ben Cohen and Jerry Greenfield, for the opening of its first Washington, DC, unit, which resulted in media coverage in *The Washington Post* and on local television stations.

Tapping Into Tax Credits as a Funding Option

Many charitable organizations, including nonprofits, can receive tax credits from other businesses to support programs, services, and building projects. Tax credits usually help to reduce taxes owed by a taxpayer by a stated amount of credit, which is a percentage of the dollar amount contributed. Organizations can deduct what they owe in taxes to meet social needs.

For example, organizations can receive a 50 percent tax credit for contributing to a State scholarship fund. For a $10,000 donation, the contributor would see its tax liability reduced by $5,000. For example, the Missouri Department of Economic Development set aside $16 million in credits from the Neighborhood Assistance Program (NAP) during fiscal year 2006. As a result, several nonprofits benefited across the State.

Here's how NAP credits work: Businesses are eligible for tax credits equal to 50 percent of the value of contributions they make to eligible nonprofits, or up to 70 percent for donations to nonprofits' projects in most rural areas. Under NAP, businesses can apply for tax credits for cash contributions for a wide array of donations they make, including the value of materials, supplies or equipment, technical assistance and professional services, labor, real estate, or stocks and bonds.

Here are a few other examples of what tax credits can do.

- The Missouri Department of Economic Development awarded NAP tax credits in the amount of $75,258 to Easter Seals Missouri. The tax credits supported Easter Seals' Individual and Family Support program. This program provides respite services to individuals with disabilities and their families.
- Big Brothers Big Sisters of Eastern Missouri was approved for $250,000 in tax credits to renovate its new headquarters at the former Woolworth Building in the Grand Center area of St. Louis.
- Verizon Pennsylvania awarded $100,000 in grants to six nonprofit organizations to offer scholarships to families who want to send their children to public, private, or parochial schools in the State. The grants were made possible through Verizon's participation in the State's Educational Improvement Tax Credit plan. Inaugurated in 2001, the plan authorized $75 million in tax credits to businesses that make contributions to scholarship organizations, educational improvement organizations, or pre-K scholarship organizations.
- The Oregon Department of Energy offers the Business Energy Tax Credit to those who invest in energy conservation, recycling, renewable energy resources, and less-polluting transportation fuels. The tax credit is 35 percent of the eligible project costs—that is, the incremental cost of the system or equipment beyond standard practice. Oregon nonprofit organizations, tribes, and public entities are eligible for the tax credit if they partner with an Oregon business or resident who has an Oregon tax liability.

Check with your State to see if tax credits are available to businesses that support nonprofits. Tax credits may not be offered in every State.

Conclusions

Community- and faith-based organizations have many ways to finance their programs and services with hopes of ensuring sustainability. However, having a range of income sources is not the only answer. Organizations must know which funding option complements or advances their mission and which one places the least amount of tension on the organization so that it can continue to deliver needed services to the community.

At the end of this booklet are worksheets and samples that can be used to help you with the process.

Don't feel you have an entrepreneurial spirit?
See Handout 5H, page 5-27

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Handout 5A

Exercise 1: Identify Your Assets

Instructions: Using the following worksheet, brainstorm your organization's assets. Be creative and think beyond just your mission to what your organization's core competencies are. No idea is a bad one, regardless of how trivial or far out or obvious it may seem. So go crazy.

People

What people do you have who are particularly valuable to your organization (e.g., name recognition, skill sets, etc.)?

Audience/Special Relationships

What are the key strengths of your target audience (e.g., size, demographics, psychographics, loyalty)? What other key relationships do you have with charismatic or well-known leaders?

Programs/Proprietary Content/Events

How are you unique? What are your core competencies? What key programs or content do you have at your disposal?

Skills/Expertise

What kinds of skills and expertise does your staff have? Internal or external processes? What about your advisory board? Volunteers?

Tangible Assets/Facilities

What does your organization own or have access to use (e.g., real estate, equipment, collections, materials)?

Reputation

What does your name mean in the community? To whom is it valuable?

Other (please specify)

Handout 5B

Exercise 2: Evaluating Assets

Instructions: Using the entries below as examples, complete the grid by listing your primary assets and evaluating their potential. Your answers should be based on your gut instinct and understanding of your organization. Feel free to qualify your answers if needed. Once you have answered all of the questions for each asset, then rank the assets according to their potential, using "A" for high potential, "B" for moderate potential, and "C" for low potential. (Note: Be critical when ranking your assets: Not every asset can be an "A" asset.)

Asset Evaluation Chart

Asset	Is the Asset Unique or Distinct? (Yes/No)	Who Would Value the Asset?	How Valuable Is the Asset? (Low/Med/High)	What Is the Willingness to Pay? (Low/Med/High)	Is the Asset Sustainable Over Time? (Yes/No)	Overall Rank (A, B, or C)

Handout 5C

Exercise 3: Opportunity Identification

Instructions: Based on your asset assessment, brainstorm a list of potential opportunities that you find particularly appealing for your organization. *Be creative.* The only dumb ideas are those you keep to yourself.

Potential Community Wealth Opportunities

1. ____________________

2. ____________________

3. ____________________

4. ____________________

5. ____________________

6. ____________________

7. ____________________

8. ____________________

9. ____________________

10. ____________________

11. ____________________

12. ____________________

Handout 5D

Exercise 4: Opportunity Assessment

Instructions: In the grid below, list the opportunities you brainstormed in Exercise 3 and then assess the components of each opportunity's revenue potential and ease of implementation as high, medium, or low.

Opportunity Assessment

	Revenue Potential				Ease of Implementation			
Opportunity	Start-Up Costs	Market Demand/ Willingness to Pay	Expected Profit Margin	Overall Assessment	Internal Expertise (Knowledge, Experience)	Operational Complexity of Venture	Access to Resources (People, Money)	Overall Assessment

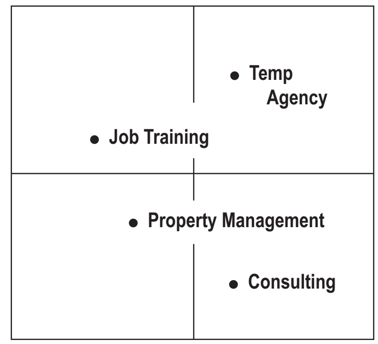
Handout 5E

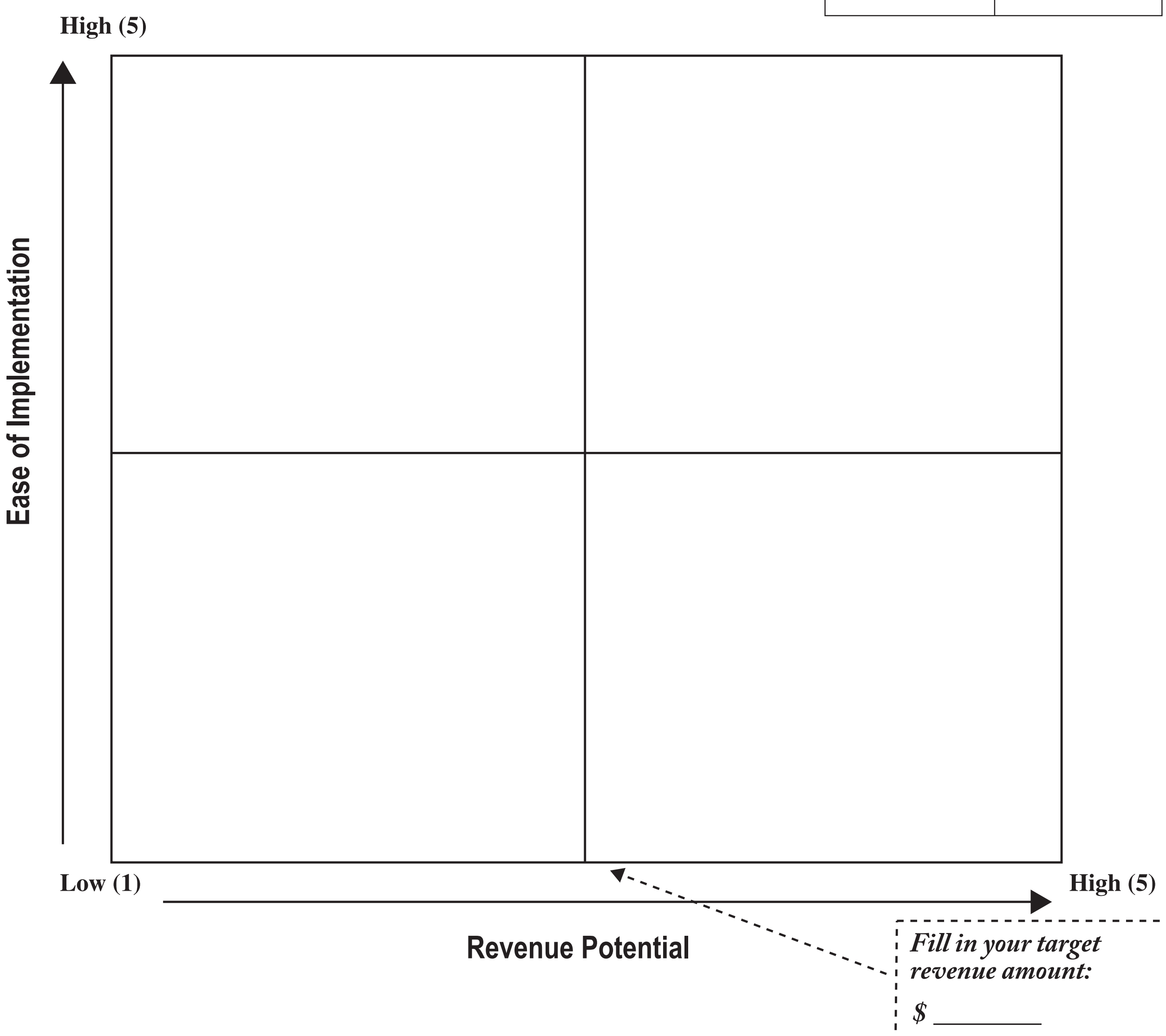
Exercise 5: Opportunity Plot

This grid can b used to see how your brainstorming in exercises 1–4 can help your group determine if a business or organization in your area is a good surce of revenue.

Instructions: Using the grid below, plot the list of opportunities you brainstormed, based on your overall assessment in Exercise 4, of their revenue potential and ease of implementation. Before you begin, you will first need to establish a minimum revenue target and use that figure as the baseline for your comparison on revenue potential.

Example:





Handout 5F

Exercise 6: Asset Check

Instructions: Fill in your top opportunities in the far left column of the table. Along the top of the table, fill in your top 10 assets. For each opportunity, check off the assets that apply. When finished, you should be able to confirm whether you have appropriate assets to adequately support your top opportunities.

Asset Check

Opportunities	Assets									

Handout 5G

Examples of Community Wealth Enterprises and Partnerships

Community Wealth Enterprises

- Based on its diversity training for school district staff, the Bloomfield, Michigan school district founded the ARKUS (Awareness, Responsibility, Knowledge, Understanding, Skills) Diversity Training Institute in 1999. ARKUS trains local executives on building trust among people of different races, religion, classes, sexes, abilities, and gender orientation.
- AARP operates Health Care Options Inc., offering quality health insurance products and services to meet the needs of AARP members. Products include supplemental Medicare insurance products and long-term care plans. AARP also created AARP Services, Inc., a wholly-owned and independently operated subsidiary, to develop and manage products for new member products, provide marketing services, and enhance AARP's e-commerce. Annual revenues from these activities in 1999 totaled more than $165 million.
- Boys and Girls Clubs of Newark designed a focus group business that generates revenue for the youth services organization by providing companies with access to one of its most powerful assets—its close relationship with inner-city African American and Latino communities. Corporations, advertising, and marketing firms pay for access to this valuable market information.
- Esparanza Unida, a counseling and job placement nonprofit organization in Milwaukee, Wisconsin, operates seven job training businesses, including an auto repair shop, body shop, housing rehabilitation service, child care center, metal fabrication shop, catering service, and a used-car sales lot. Annual revenues from these activities in 1998 totaled approximately $1.3 million.

Community Wealth Partnerships

- Special Olympics offers numerous corporations, such as Oracle, Coca-Cola, and America Online, opportunities to become official sponsors of various events. Additionally Special Olympics has participated in joint cause-related marketing campaigns with First USA, M&M Chocolate Candies, and other corporations that have donated to Special Olympics.
- Calphalon partnered with Share Our Strength to raise money for anti-hunger efforts. Share Our Strength's network of chefs and fine restaurants enabled Calphalon to build brand awareness and revenues. In addition, Calphalon's sales of pans raised more than $550,000 for Share Our Strength's anti-hunger efforts.
- The Timberland Company and City Year, a nonprofit national service organization, have benefited from a long-standing partnership that over the years has ranged from donating boots to sponsoring a team of City Year volunteers to committing a $5 million investment in City Year's organization. Timberland is now the official uniform outfitter for City Year volunteers, and a portion of its proceeds from its Red Boot Campaign go to City Year.

Handout 5H

Entrepreneurial Spirit

Why You Need To Be More Entrepreneurial—And How To Get Started

Use These Checklists to Create an Innovative, Self-Sufficient Organization

By Peter Brinckerhoff *

To serve people at the highest level, you must be a social entrepreneur, willing to take risks to serve people better. Social entrepreneurs have these characteristics:

- They are constantly looking for new ways to serve their constituencies and add value to existing services.
- They understand that all resource allocations are really stewardship investments.
- They weigh the social and financial return of each of these investments.
- They always keep mission first, but they know that they also need money; without it, there is no mission output.
- They are willing to take reasonable risk on behalf of the people their organization serves.

Talk through these characteristics with your key staff and board. Focus particularly on two ideas: that expenditures are really investments, and that risk is a good thing. It is vital to have widespread acceptance of these two concepts if your organization is to become and remain entrepreneurial.

First ask yourself the questions in Tables 1 and 2 to be sure your organization is ready. If more than eight answers are "No" or "Don't know," go back over the questions, and take the time to improve your score. Your organization must be in good shape before you develop a new and inevitably risky venture.

The next step is to develop a business venture to support your mission and create a financially empowered organization.

Table 1. Social Entrepreneurship Self-Assessment

	Yes	No
Has the organization investigated (or is it currently pursuing) nontraditional business activities to supplement income?	3	0
Does the organization weigh the mission return and the financial return of every investment (and view expenditures as investments)?	3	0
Have the staff and board identified the organization's core competencies?	3	-2
Is the organization constantly looking for ways to match these competencies with the market's wants?	5	1
Does the organization have a list of criteria for new service ideas?	3	-1
Does the organization have a social entrepreneurship team?	3	0
Are program options or change opportunities free of restriction from facilities or debt you already have?	2	-2

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* *Source:* Brinckerhoff, P. Entrepreneurial Spirit: Why You Need to Be More Entrepreneurial—And How to Get Started. *Nonprofit World* 19(6): November/December 2001. Peter Brinckerhoff is president of Corporate Alternatives, Inc. (CAI), a firm specializing in nonprofit organizations (2707 West Washington, Suite C, Springfield, IL 62702). He is the author of *Mission-Based Management* and *Mission-Based Management: An Organizational Development Workbook* (John Wiley & Sons), from which this article is adapted.

Table 1. Social Entrepreneurship Self-Assessment (continued)

	Yes	No
Are the concerns of staff and service recipients acknowledged and addressed when change is initiated?	2	0
Are core values and the mission statement discussed when changes are considered?	2	-3
Have you discussed with board and staff the organizational willingness to take risk?	2	0
Is change initiated as an improvement without criticizing what has been done before?	1	0
Is innovation encouraged and are rewards provided at evaluation time?	2	0
Total of column score Add each column up and put the answer here →		
TOTAL SCORE Add total scores from Yes and No columns and put the answer here →		

Scoring Analysis: 32–36 Excellent, 25–20 Very Good, 19–12 Adequate, Less than 12—You need to focus more on creating an entrepreneurial organization.

Table 2. Social Entrepreneurship Readiness Checklist

Area	Readiness Item	Yes	No	Don't Know
Mission	Have the staff and board reviewed the idea of business development in relation to the organization's mission statement?			
	Are revisions or updates of the mission necessary?			
	Have you decided on the mission uses for the business and mission uses for any profits?			
Risk	Have the board and staff discussed the risk inherent in new business development?			
	Have limits been set on venture capital to put at risk?			
	Do your board and staff view resource allocations as investments rather than expenditures?			
	Do your board and staff understand that the desired outcome for a not-for-profit business is a mix of mission return and financial return?			
Systems	Does the organization have personnel and finance policies that have been revised in the past 24 months?			
	Does the organization have a strategic plan that is current?			
	Does the organization have the information systems, payroll, accounts payable and receivable systems that can accommodate growth?			
	Is the organization's financial accounting software able to track multiple projects and/or businesses?			
Skills	Are all of the following skills available within the staff and governing volunteers: planning, budgeting, pricing, marketing, project management?			
	Are skills and experience available within the industry or area that you have chosen to pursue?			
	Has the management team made the commitment to allow talented and experienced individuals to use their skills to develop the new business?			
	Have you generated a list of your organization's core competencies?			
Space	Is there readily available appropriate physical space to house the business?			
	Is there adequate equipment, wiring, plumbing, ventilation, security, and lighting for business?			

Table 2. Social Entrepreneurship Readiness Checklist (continued)

Area	Readiness Item	Yes	No	Don't Know
Finance	Has the organization as a whole been profitable the past three years?			
	Does the organization have at least 90 days of cash or cash equivalents on hand?			
	Does the organization have an excellent relationship with its banker?			
	Does the organization have a line of credit?			
	Does the organization have a current ratio of 1.0 or higher?			
	Does the organization have a debt to net worth of .3 or less?			
	Are you sure your funders won't penalize you for any net income from the business?			
	TOTALS Add up the number of Yes, No, and Don't Know answers and put the totals in the columns to the right →			

Then follow these steps:

1. Review your mission statement. Do all staff and board members know what your mission statement is? Do they agree it's the best possible description of what you do in the world you want to live in? The questions in Table 3 will help you decide if you need to change your mission statement. If so, follow the suggestions in Table 4.
2. Assess your willingness to take risk. Meet with your board to explore the concept of acceptable risk. Note that risk is the engine of innovation, and innovation is crucial to keeping up with the wants and expectations of your markets. Good stewardship requires you to take reasonable risks in light of your financial condition, your markets, and your organizational culture.
3. Generate business ideas. Gather staff for a brainstorming session. Ask for ideas for a business related to your organization's primary purpose. When you've created a list, develop criteria against which to weigh each idea. For example, you might give priority to businesses that you can start up in less than six months, that require an investment of less than $10,000, and that have a direct social impact. The combination of criteria will be up to you, but by establishing what is important now, you can weigh all ideas without upsetting people whose ideas aren't followed up.
4. Develop preliminary feasibility studies. Write three to five pages, reviewing each potential business, its market, and what kind services are being provided in this market. Ask, "Can we do this? Do we have (or can we get) the resources to do it?"
5. Develop a final feasibility study. After narrowing your business ideas down to the most feasible one, describe in detail the service you want to provide, how you will provide it, the barriers to success, and how you will overcome those barriers.
6. Define your market. Next, focus on the market for your new business. Who are those people? Where are they? How many of them are there? Why do they want your service? Be specific as you can.
7. Define your target market. Target a particular segment of your market for your highest research and customer-service efforts.
8. List the five core wants of the target market. The issue isn't what people need but what they want. How do you know what they want? Did you ask them, or are you making (perhaps dangerous) assumptions?

Table 3. Mission Statement Self-Assessment

	Yes	No
Has your mission statement been reviewed by your board and staff within the past two years?	2	-2
Ask five staff at random what the mission statement is. Do all five get reasonably close?	4	-1
Ask four board members what the mission statement is. Do all four get reasonably close?	4	-1
Does staff use the mission statement as an aid to decisionmaking and management? Are copies on the table at every meeting?	3	-1
Is there a vision statement associated with your mission statement?	2	0
Is the mission statement short—less than 50 words?	4	-2
Does the board refer to the mission statement when considering adding or dropping services? Are copies on the table at every board meeting?	3	-1
Do you celebrate the success of your mission at every staff meeting?	3	-1
Do staff and board consider, and verbalize, that expenditures are really investments in mission?	2	-1
Is your mission statement posted in the organization? Included in marketing materials? Stated in personnel policies?	2	-1
Is the current mission statement on file with the IRS?	3	-3
Is the mission statement used as criteria in some manner in your personnel evaluations?	3	0
Total of column score Add each column up and put the answers here →		
TOTAL SCORE Add total scores from Yes and No columns and put the answer here →		

Scoring Analysis: 34–27 Excellent, 26–20 Very Good, 19–10 Adequate, Less than 10—You need to focus more on creating an entrepreneurial organization.

9. List your core competencies. Do you have the core competencies (things you are really, really good at) to match up with your market's wants? If not, you may need to go back a step and change your target market, or find ways to strengthen or acquire certain competencies.

10. Decide how you will reach your target market. If you're entering a new market, how will you establish a beachhead? What tactics will you use to establish relations with your market? Examples could include trade show presentations, cold calls, referrals, advertising, or some other outreach function.

11. Decide on the mission outcomes of your business. This is a crucial step. Now that you have defined your business, what do you expect the mission outcomes to be? Some specific mission service? Profit to do more direct mission?

12. Review key financials. How much start-up money are you putting at risk? Where will this money come from? What will the initial size of your business be in terms of revenue, units of production, employees, and space? What will your fixed and variable costs be?

13. Develop a business plan. Include a description of your organization, your new business, and the market for your new service. Detail your marketing plan, including an evaluation of potential pitfalls. Provide a financial plan, including cash flow estimates, projected income and expenses, a balance sheet, and break-even analysis.

14. Implement your business plan. A new business is always a risk, but going through this planning process reduces that risk. Following these steps assures that you will be taking prudent risks on behalf of the people you serve. That's what entrepreneurship is all about.

Table 4. Mission Statement Checklist

Here are some things you can do to improve your mission statement:
Review your mission statement at the management level. Ask these questions:
___ Does the mission use correct, current language?
___ Does the mission describe adequately whom we serve? (demographics)
___ Does the mission describe adequately where we work? (geographics)
___ Does the mission show focus?
___ Does the mission excite us?
___ Can we get our mission down to less than 50 words?
___ Do we need a vision associated with our mission?
___ Do we need to write down a statement of values along with our mission?
Ask the staff to discuss not just the mission statement wording, but also what it means to them.
Meet with the board and staff, discuss your findings, and talk about necessary changes.
Any adopted changes should be sent to the IRS with details of the board meeting, and a listing of the board members who voted for and against the changes.
The mission statement should be evident everywhere: on the wall, on marketing materials, on the back of staff business cards, on screen savers, on the annual report, on the table at board and staff meetings.

Handout References

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These resources are available from the Society's Resource Center, 608-274-9777, Ext. 221, http://www.danenet.org/snpo.

Handout 5I

Five Social Enterprise Myths, Dispelled

By Kristen Ace Burns

The idea of applying the ethos and strategies of traditional business entrepreneurs to the realm of social change has in recent years captured the imagination of nonprofit leaders. And as popularity of "social entrepreneurship" grows, there are nearly as many definitions of the concept as there are people pursuing it. Founded in 1997, Roberts Enterprise Development Fund (REDF) was one of the earliest social-purpose enterprise investors; to us, this means providing multifaceted assistance to nonprofits running market-driven businesses to create jobs for people with significant barriers to employment, such as homelessness, a history of criminal conviction, substance abuse, or psychiatric disabilities.

Over the past seven years, REDF has worked with a portfolio of San Francisco Bay Area nonprofits as they create and operate sustainable businesses—while employing individuals whom most of their for-profit competitors would never have hired.

As any for-profit entrepreneur will tell you, the road to success is rarely smooth, and in this respect, social ventures are no different. REDF and our portfolio of social enterprises have learned important lessons from our experiences—far too many to capture here. But as one of the oldest and longest-running investors in social enterprise, we are in a unique position to offer help to those joining the fray today and to share the lessons we've learned. Below I've offered some of our real-life experiences in contrast to five myths that exist about the endeavor of social entrepreneurship:

Myth #1: Social entrepreneurs have it easy. Customers will buy their products just because the company represents a great cause.

The Truth: Social mission will get a business only so far.

Research indicates that if product quality, service, and price are comparable, then—and *only* then—will customers factor in whether their purchase supports a worthy cause. If a retail store provides poor customer service, or if a construction company installs doors that don't fit properly, even the most socially minded customers are likely to jump ship.

Also, social entrepreneurs must carefully consider their audience before deciding how and when to market their mission. For example, we've found that some potential customers (and vendors) mistakenly assume the quality of our portfolio companies or products will be poor *because* they employ people with additional challenges. We've had to address those assumptions head-on, rather than taking for granted that everyone will share our appreciation for the amazing potential of these employees, or assuming that they'll let their good feelings about helping out override any misplaced concerns.

Myth #2: Social entrepreneurs don't need to worry much about bottom-line financial results. As long as the business can survive and fill some social function, that's good enough.

The Truth: The social value of an enterprise is only one of myriad criteria for success.

Determining whether a social-enterprise business is succeeding is rarely a simple analysis. Ongoing

* *Source:* Burns, K. A. *Five Social Enterprise Myths, Dispelled.* Accessed December 5, 2007, at http://www.fastcompany.com/social/myths.html

tracking is key and requires a level of complexity that can rival (and in some cases exceed) that of a regular business. A robust accounting system is critical—one that can separate the enterprise's activities from those of the agency as a whole and monitor such things as inventory and cost of goods sold, which are often not part of traditional nonprofit accounting.

We require our portfolio to engage in the kind of monthly, weekly, or even daily financial oversight that most businesses demand. REDF holds monthly operating meetings with the management of each portfolio group to discuss enterprise performance and to identify any areas needing extra attention. In addition, REDF staff often spend time one-on-one with business managers between monthly meetings to provide additional support and advice.

For each enterprise, we encourage our investees to define the minimum acceptable thresholds of performance against the business's social and financial goals. And we recommend that they close lines of business that don't meet those requirements. While that might result in short-term setbacks for an organization's social agenda, we think it makes more sense to pursue enterprise that will help the investee thrive in the long run and ultimately make a bigger difference.

Myth #3: Starting a social enterprise requires minimal investment.

The Truth: Social enterprise costs more than you think.

Among planning costs, start-up expenses, initial losses, and capital investments needed along the way, it's a rare enterprise that requires only a limited financial investment to get started and keep going. While social entrepreneurs may be able to access donated items, beware: They often come with hidden costs. Free retail space, for example, could be tempting—but if the location is suboptimal, it could undermine the entire business model.

The good news: A variety of foundations, government programs, and individuals are increasingly interested in making philanthropic investments to support social enterprise. REDF makes significant, long-term investments to help cover both capital and operating incurred by our portfolio.

Myth #4: Social entrepreneurs can (and should) quit fundraising and rely on earned income alone.

The Truth: See Myth #3, and then some.

Not only is social enterprise expensive in terms of money, time, and other resources, it is also usually not a nonprofit's only activity. Each REDF portfolio nonprofit operates at least one enterprise—and also offers an array of social programs to provide much-needed support to the individuals it serves. While an agency's enterprise may eventually become profitable, it is doubtful that enterprise profits will cover all the costs of everything else the agency does. In all likelihood, fundraising will remain an important part of the nonprofit's financial strategy.

Myth #5: Scaling to a national level should be the goal of every social entrepreneur.

The Truth: Bigger is not necessarily better.

Many social enterprises are very successful on a local or regional basis but are not equipped to do business on a national scale. Success should be measured in terms of the quality of change in individuals' lives—and not based on whether Uncle Bert in Omaha can be a customer. We counsel our portfolio to start small and plan carefully before expanding its geographic scope.

We've learned quite a few lessons as an investor, too. Funding social enterprise requires patience, responsiveness, and a genuine interest in creating a social return as well as a financial one. George R. Roberts, a founding partner of Kohlberg Kravis Roberts & Co. and REDF's initial investor, has set an excellent example as we identify others interested in supporting REDF's work.

We've also learned that in order to serve the needs of our portfolio of social enterprises effectively, REDF'S support must take multiple forms. In response to conversations with our portfolio, we provide not only financial support for the enterprises but also strategic business assistance, access to industry experts, the Farber Internship and Fellowship program to help recruit MBA talent, significant support for tracking social outcomes, and specialized resources for strengthening the infrastructure of the organization.

The payoff has been tremendous. Since 1998, the enterprises that REDF supports have employed more than 2,000 people with significant and often multiple barriers to employment such as psychiatric, physical, or developmental disabilities; a history of substance abuse or criminal incarceration; and/or homelessness. Once given a chance at self-sufficiency, two years after hire:

- 78 percent remain employed.
- Average monthly incomes triple.
- 70 percent live in stable housing, in one of the nation's most expensive housing markets.
- People demonstrate a reduced reliance upon public services, including public assistance, emergency rooms, community food banks, and housing support services.

Despite working with a more challenging target population, when compared with other job training and employment programs, the social enterprises in the REDF portfolio are at least as effective (if not more so) at helping individuals change their lives for the better.

While these numbers are inspiring to us, the individuals behind them are even more so. "Community Vocational Enterprises made me more confident about myself and helped me to keep a job," said one enterprise employee. Another employee, from Rubicon Programs, told us, "Rubicon gave me a chance when no one else would."

A worthwhile investment indeed.

Handout 5J

Fundraising Ideas

1. Display for sale on the walls of the facility artwork, photographs, or crafts that were created by your clients. Items may include framed poems or short stories.

2. Create a gift or snack shop on the premises.

3. Name rooms in the facility after donors.

4. Create a wall of appreciation dedicated to donors. Have different levels of support (e.g., gold, silver, bronze).

5. Produce a videotape of success stories.

6. Spread your story. Speak at local civic and community events. Tell compelling stories about your clients. If possible, bring your clients to the events and have them tell their stories. Don't ask for donations but let audiences know that to continue your good works, your organization depends on their support. Leave brochures and literature that include information on how to make a donation. If possible, get names and addresses and follow up with a solicitation letter.

7. Create an event (e.g., a graduation ceremony). Invite family members, church members, and prominent community members. Include donor envelopes with the program and other marketing materials.

8. Cultivate relationships with the local media. If you have an impressive story, tell it to the editor of the public interest section of the local newspaper. You don't have to always focus on your need for support, to get support. People respond to success stories. You are providing an important service to the community: Wouldn't others like to be a part of that?

9. Create an event to thank donors (e.g., a breakfast, luncheon, or dinner). At the event, name supporters of the program, give them a commemorative plaque, and indicate the levels of donorship or sponsorship. This encourages people to give more: Pride is a powerful motivator.

10. Your facility is an asset. If you have a large parking lot, then hold a flea market on the weekends; ask members of faith and community organizations to donate items for sale. Rent unused space to other community groups for meetings or events.

11. Cultivate relationships with local businesses and corporations via newsletters and solicitation letters.

12. Create a media event. Hold an information bazaar; pass out literature about your programs and other local health agencies. Take a group of volunteers and clean up a local park or respond to a need in the community. Dress your volunteers in t-shirts with the name and logo of your organization and program. Invite the local press. Designate a spokesperson to prepare a short (1 or 2 minutes) statement about your program.

13. Use whatever celebrity connections you may have; ask volunteers, church members, and friends. If you have connections, try to get their support. Have celebrities come to an event or church service and work it, work it, work it.

14. Ask local businesses to donate goods or services for an auction or raffle (e.g., dinner for two or four at a local restaurant, a day at a local spa or beauty salon, a gym membership, a free limo ride, tickets to a local theater or sporting event). If a concert is in town, ask promoters to donate tickets.

15. Use your assets! If your church has a phenomenal choir, ask them to perform at a fund-raising event. Make it a joyous occasion. People feel good when they know that they're supporting a good cause, so push those emotional buttons. Show audiences why they should support your organization.

16. Join with other churches to create an exciting fundraising event (e.g., a gospel concert). If your choir is really good (professional), then they can become a significant part of the fundraising efforts. Offer to have the choir perform at different functions for a donation.

17. Contract with a local artist or find a unique piece of art that symbolizes your program's mission or organization. Make it the identifying symbol of your program or organization. Display the artwork at your facility or send it as a gift to thank donors (e.g., wind chimes, guardian angels, dream catchers).

18. Hold an open house. Tell your stories. Invite potential donors to your facility so they can meet successful graduates. Show potential donors what their donations can help to accomplish.

19. Create a database of supporters and potential supporters. Send them newsletters and solicitation letters. Remember, all literature should request donations and include instructions on how to do so.

20. Always, always, always follow up every donation with a thank you note.

EMPOWERING AMERICA'S GRASSROOTS
HHS-SAMHSA
Faith-Based and Community Initiative

A Life in the Community for Everyone
SAMHSA
Substance Abuse and Mental Health Services Administration
U.S. Department of Health and Human Services

DHHS Publication No. (SMA) 08-4340

Printed 2008

Sustaining Grassroots Community-Based Programs: A Toolkit for Community- and Faith-Based Service Providers

6 Results-Oriented Evaluations

"Evaluation is the step in the process that allows a partnership to assess its progress and to measure success."

—Frank and Smith 2000

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

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Bridge Ministries' growth really took off after they found out that the services they were providing for people coming out of treatment could be called recovery support services and offered to even more people through the ATR program. They had a terrible fear of being evaluated, however; some of their members had lost jobs as the result of an evaluation.

Their fears abated when they found out nobody would be judged in this evaluation. In fact, the information provided from the evaluation was intended primarily to give them information about steps they could take to improve their programs. "This is really just about doing a good job, which is what we've always wanted to do," says the deacon in charge of Bridge Ministries. "It's not just punching in information; it's getting information back that we can use to improve our operations and serve more people in need."

1 Introduction
2 Organizational Assessment and Readiness
3 Effective Marketing Strategies
4 Financial Management
5 Sustainability Strategies: Fund Development and Fund Raising
6 **Results-Oriented Evaluations**

Many financial supporters, funders, and stakeholders that support organizations require those organizations to show they are worth the investment of funds and support. Financial supporters want to know that their funds are invested to yield successful results and benefits for individuals being served and the community. Conducting a results-oriented evaluation is one way that an organization can hold itself accountable to its financial supporters and position itself for additional funding to sustain services. It also helps the organization see how well its programs and services meet the needs of clients.

Grassroots community- and faith-based organizations fear the word "evaluation." They think that evaluations are too scientific or complex to grasp. But evaluations happen all the time, sometimes without an organization even knowing. A results-oriented evaluation is fairly simple to do. Your organization does not have to be an expert at results-oriented evaluations to carry out an evaluation plan. For example, if your organization provides programs or services in any way, then it also looks at ways—either systematically or methodically—to improve them. These are the types of things that an organization does as it evolves and matures. This is why this type of evaluation can be done by virtually anyone.

This toolkit focuses on results-oriented evaluations. It provides basic information and some guidance on planning and implementing a results-oriented evaluation.

What Is a Results-Oriented Evaluation?

A results-oriented evaluation is quite different from goals- and process-based evaluations. A goals-based evaluation looks at already established goals and objectives of an organization or program to see if they are being met. It also helps to determine progress toward a goal and whether it will be met on time. A process-based evaluation looks at how an organization or program operates and the process through which results are achieved. It also examines the efficiency with which programs and services are delivered.

A results-oriented evaluation looks at outcomes (e.g., impacts, benefits, and changes) in clients as a result of receiving services and/or participating in programs and systems. Your organization can conduct a results-oriented evaluation to look at such specific client outcomes as reunification with family, employment, sobriety, and self-reliance, among others.

This type of evaluation can examine any program. The most important part of the evaluation is starting with the right information. Doing so makes the end results accurate and useful. With the right information, your organization can make decisions about the programs and services it delivers and issues and the needs of clients, financial supporters, and the community.

A results-oriented evaluation contains several basic components:

- **Inputs** are materials and resources that a program uses in its activities or processes to serve clients. Some examples of inputs include equipment, staff, volunteers, facilities, and money. Inputs can be identified easily. Many inputs are common across organizations and programs.
- **Outputs** are units of service for a program. For example, outputs could be the number of clients in an organization's outpatient services program or support group. This type of output records the number of clients who have gone through a specific program.
- **Activities** are services offered by an organization to meet the needs of clients. Some examples include job coaching, transportation, and meals.
- **Outcomes** are the actual effects (i.e., benefits, changes) on clients during and after participating in a program. Some examples include abstinence, finding a job, and reuniting with family.
- **Outcome Targets** are the number and percentage of participants targeted to achieve an outcome—for example, 5,000 clients (25 percent of all clients) finding sobriety and remaining sober for a year.
- **Outcome Indicators** are things that are seen and heard that can help determine whether your organization is moving toward meeting the outcome target.

Planning for a Results-Oriented Evaluation

Your organization can think through the following steps to start or get oriented with the evaluation process:

- Reflect on the mission of your organization. Consider the effects of the organization's services on the clients and the community. For example, if your mission is to provide transitional housing to individuals in recovery, then ask, "How will these services help such clients recover? How will these services help clients reintegrate into the community?"
- Select the right outcomes to evaluate. Focusing on a small number of outcomes, such as one or two, is probably best at the start. Pick the outcomes that that your organization considers to be the top priorities.
- Specify outcomes indicators that let your organization know that outcomes are being achieved. For example, the client stayed away from alcohol or drugs for 30, 60, or 90 days.
- Specify outcomes targets. For example, your organization may seek to have 45 percent of African-American women living in a recovery home remain alcohol- or drug-free for at least 30 days.
- Identify information needed to show indicators and targets. For example, how many clients went through the program during a specific period of time? How many of them stayed off drugs for at least 30 days?
- Evaluate program implementation. This may be the most important evaluation of all, especially if the program is new.
- Decide how information can be gathered efficiently and realistically (see, for example, Selecting Which Methods to Use, by Carter McNamara). Examples include reviewing

program documentation; observing program personnel and clients; conducting questionnaires, interviews, or focus groups with clients about perceived benefits of the program; and examining case studies to look at failures and successes of the program. Your organization may not have to use all of these methods. Table 1 describes the purpose, advantages, and challenges of each method.

Choosing the Best Model for a Results-Oriented Evaluation

Grassroots nonprofit organizations have found logic models to be a great tool for evaluating programs. Community organizations use the logic model more than any other evaluation method. A logic model conveys the goals of a program and the action steps to achieve desired results and presents useful information to all stakeholders of a program, including board members, administrators, staff, clients, and the community.

A logic model can be very useful for organized planning and analysis and when designing the components of an organization and program. It is also helpful in determining how the organization conducts and measures its work. The model can also be useful for describing organizations and programs. For example, in a grant proposal, your organization may choose to use a logic model to analyze and describe the major, recurring activities in the organization or program that improve the health outcomes of clients.

Ideally, a logic model is not lengthy—only one or two pages—and can be read easily in a short amount of time. It fits all requirements necessary for a results-oriented evaluation, typically depicting a focus area, inputs, activities, outputs, and outcomes. Table 2 defines each of these items.

Many different types of logic models can be constructed (e.g., those focused on assumptions, resources, activities, short-term goals, and long-term impacts). Tables 3–5 present some examples.

Table 1. Overview of Data Collection Methods

Method	Overall Purpose	Advantages	Challenges
Questionnaire, survey, checklist	Obtain a lot of information quickly and easily Acquire information from people in a nonthreatening way	Can be completed anonymously Is inexpensive to administer Is easy to compare and analyze Can be administered to many people Obtains a lot of data Many sample questionnaires already exist	Might not get careful feedback Wording can bias client's responses Impersonal May need sampling expert for surveys Doesn't get full story
Interview	Provide more insight on peoples' impressions or experiences with a program	Gets full range and depth of information Develops relationship with client Is flexible from a client standpoint	Can be time-consuming Can be hard to analyze and compare Can be costly Interviewer can bias client's responses
Documentation review	Offer an impression of how a program operates without interrupting it Review applications, finances, memos, minutes, etc.	Gets comprehensive and historical information Doesn't interrupt program or client's routine in program Information already exists Little bias	Can be time-consuming Information may be incomplete Need to know what is being looked for Not a flexible way to get data Restricted to what already exists

continued on next page

Table 1. Overview of Data Collection Methods (continued)

Method	Overall Purpose	Advantages	Challenges
Observation	Gather accurate information about how a program actually operates, particularly about processes	Can view ongoing operations of a program Allows data collection to adapt to events as they occur	Can be difficult to interpret seen behaviors Can be complex to categorize observations Can influence behaviors of program participants Can be expensive
Focus group	Explore a topic in depth through a group discussion (e.g., get reactions to an experience or suggestion, understand common complaints) Use for evaluation and marketing	Gets common impressions quickly and reliably Gets a range of indepth information efficiently and quickly Conveys key information about programs	Can be hard to analyze responses Need a good facilitator for safety and closure Difficult to get 6–8 people together at the same time
Case study	Help to depict a client's experiences in a program Allow for cross-comparisons of cases, which can make information more comprehensive	Fully depicts client's experience with program inputs, processes, and results Portrays program to outsiders in a powerful way	Usually time-consuming to collect, organize, and describe Offers depth of information, not breadth

Source: Adapted from McNamara, C. Overview of data collection methods. In *Basic Guide to Program Evaluation.* Accessed October 20, 2007, at http://www.managementhelp.org/evaluatn/fnl_eval.htm#anchor1585345

Table 2. Requirements of a Logic Model

Focus Areas	Inputs	Activities	Outputs	Outcome(s)
The focus of the project or program	Resources dedicated to the project (e.g., board members, staff, consultants, trainers, facilitators, equipment. technology, supplies)	What the organization does with the inputs to fulfill its mission or that of the project or program	Results of the activities (e.g., particular services, number of products, number of persons trained)	Changes in the capacity of the organization to deliver services Benefits/impacts for clients or community (e.g., behavior, skills, knowledge)

Source: Sunflower Foundation. *Logic Model Examples.* May 2006. Accessed December 5, 2007, at http://www.sunflowerfoundation.org/html/pdf/07_101_Logic_Model_Examples.doc

The following tables will help your organization plan a results-oriented evaluation. Decide for yourselves which methods and models will best serve your goals. come back to your evaluation from time to time and make adjustments as your organization changes or grows.

Table 3. Sample Logic Model A

Focus Areas	Inputs	Activities	Outputs	Outcome(s)
Increase the number of clients who secure a full-time job	Provide a variety of job opportunities that match the skills of clients and the needs of the community	Provide classes to develop job skills and core competencies for job opportunities Develop a pool of potential employers for clients in the program	Seek to have 50 percent of clients complete classes designed to enhance their interviewing and job-seeking skills	Participate in interviews with potential employers Obtain a full-time job within 3 months

Source: Material adapted from W.K. Kellogg Foundation. *Logic Model Development Guide: Using Logic Models to Bring Together Planning, Evaluation, and Action.* January 2004. Accessed December 7, 2007, at http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf

Table 4. Sample Logic Model B

Focus Areas	Inputs	Activities	Outputs	Outcome(s)
Strategic planning and governance	Board members Executive director Senior staff Facilitation consultant Sunflower Foundation grant Other funding	Specify strategic planning needs (due date) Retain facilitator (due date) Hold strategic planning retreat for board members and staff (due date) Develop written strategic plan with measurable goals (due date)	A written strategic plan for the organization	More effective governance as board members learn more about community needs and actively participate in setting strategic direction More cost-effective management of limited resources by targeting services to areas of greatest need Improved accountability to community and funders by documenting progress toward measurable goals

Source: Sunflower Foundation. *Logic Model Examples.* May 2006. Accessed December 5, 2007, at http://www.sunflowerfoundation.org/html/pdf/07_101_Logic_Model_Examples.doc

Table 5. Sample Logic Model C

Focus Areas	Inputs	Activities	Outputs	Outcome(s)
Develop a transitional housing unit to support the recovery of outpatient treatment clients affected by substance abuse disorders	Financial resources (list) Planning process Materials (list) People (list) Clients	Identify location (due date) Find resources to support program services Secure funding to lease a facility Solicit support for neighborhood furniture stores to donate furniture (due date) Hire house manager and residential support staff (e.g., volunteers and paid staff) (due date) Identify clients to participate in transitional housing program (due date) Implement transitional housing program Report program development results at end of project (due date)	Number of community partnerships related to the project Number of agency partners Number of target population aware of ability to access to transitional housing services	A transitional housing unit for 20 clients in recovery Sustained recovery and support for reintegration into community

Source: Material adapted from W.K. Kellogg Foundation. *Logic Model Development Guide: Using Logic Models to Bring Together Planning, Evaluation, and Action.* January 2004. Accessed December 7, 2007, at http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf

Conclusions

Your organization can accomplish a results-oriented evaluation. If you can run a business, then you can learn how to evaluate your programs and services. The most important thing is to select an evaluation from the many that exist and start the process as soon as possible. As a result of the evaluation, your organization will learn quite a bit about its programs and services, including successes, challenges, and things that work and those that require change.

A results-oriented evaluation is not a one-time event: It's a continuous improvement plan that provides benefits and outcomes that tell your story and benefits to the clients you serve. Results of the evaluation can also help your organization market its successes and demonstrate its value to funders.

At the end of this booklet are worksheets and samples that can be used to help you with the process.

Link To More Information About Results-Oriented Evaluations

Authenticity Consulting, LLC:
http://www.authenticityconsulting.com

Further Reading

McNamara, C. *Basic Guide to Outcomes-Based Evaluation for Nonprofit Organizations With Very Limited Resources.* Retrieved October 20, 2007, at http://www.managementhelp.org/evaluatn/outcomes.htm

McNamara, C. *Basic Guide to Program Evaluation.* Accessed October 20, 2007, at http://www.managementhelp.org/evaluatn/fnl_eval.htm#anchor1585345

McNamara, C. *Field Guide to Nonprofit Program Design, Marketing and Evaluation.* 4th ed. Minneapolis, MN: Authenticity Consulting, LLC, May 2006. Accessed November 19, 2007, at http://www.authenticityconsulting.com/pubs/PG_gdes/PG_pubs.htm

McNamara, C. Selecting which methods to use. In *Basic Guide to Program Evaluation.* Accessed October 20, 2007, at http://www.managementhelp.org/evaluatn/fnl_eval.htm#anchor1665834

Sunflower Foundation. *Logic Model Examples.* May 2006. Accessed December 5, 2007, at http://www.sunflowerfoundation.org/html/pdf/07_101_Logic_Model_Examples.doc

United Way of America Task Force on Impact. *Measuring Program Outcomes: A Practical Approach.* Alexandria, VA: United Way of America, 1996. (See pages 45–48, Example Outcomes and Outcome Indicators for Various Programs.)

Handout 6A

Checklist for Planning an Evaluation of a Program

The following checklist may be helpful when planning an evaluation of a program. Also consult *Basic Guide to Program Evaluation* by Carter McNamara.

Organization: ______________________________

____

Program: ______________________________

____

____

Purpose

What do you want to be able to decide as a result of the evaluation? For example,

- ___ Understand, verify, or increase impact of products or services on customers/clients (e.g., outcomes evaluation)
- ___ Improve delivery mechanisms to be more efficient and less costly (e.g., process evaluation)
- ___ Verify that you're doing what you think you're doing (e.g., process evaluation)
- ___ Clarify program goals, processes, and outcomes for management planning
- ___ Public relations
- ___ Compare programs, for example, to decide which ones should be retained
- ___ Examine fully and describe effective programs for duplication elsewhere
- ___ Other reason(s) ______________________________

____

____

____

Audience(s)

Which audience(s) will use the results of the evaluation? For example,

- ___ Clients
- ___ Funders/donors/investors
- ___ Board members
- ___ Management
- ___ Staff
- ___ Other(s) ______________________________

____

____

____

Type(s) of Information

What type(s) of information should the evaluation measure so your organization can make decisions about issues and needs that affect itself, financial supporters, clients, and the community? For example,

- ___ Process of the product or service delivery (inputs, activities, and outputs)
- ___ Clients who use the product or service
- ___ Strengths and weaknesses of the product or service
- ___ Benefits to clients (outcomes)
- ___ Reasons for why or how the product or service failed
- ___ Other(s) ______________________________

____

____

____

Type of Evaluation

Based on the purpose of the evaluation and the type(s) of information needed, what type of evaluation should be planned? For example,

___ Goals-based

___ Process-based

___ Results-based

___ Other(s) ______________________________

____

____

____

Source(s) of Information

From whom should the right type(s) of information be collected? For example,

___ Staff

___ Clients

___ Program documentation

___ Funders/donors/investors

___ Other(s) ______________________________

____

____

____

Data Collection

How can information be collected reasonably and realistically?

___ Questionnaires

___ Interviews

___ Documentation

___ Observing clients

___ Observing staff

___ Conducting focus groups among ________

____

____

____

___ Other(s) ______________________________

____

____

____

Resources

What resources are available to collect the information?

____

____

____

____

Timeline

When is the information needed?

____

____

____

____

Handout 6B

Planning the Evaluation

The purpose of focusing an evaluation is to clarify what your program is trying to accomplish. Doing so will sharpen your understanding of the issues that staff, the grantor, and partners are seeking to address. The focusing process involves sharing information about the program, specifying a set of questions or objectives that the evaluation should address, and agreeing on an approach to be used for gathering information and analyzing data. Any discussion should focus narrowly on the most important issues that need to be addressed. Use the evaluation tool below to help clarify the purpose of your evaluation.

Program Evaluation Planning Sheet

1. Name of program to be evaluated:

   ____

2. What is the program designed to accomplish? List as many specific things as you can that you think are important.

   a. ______________________________

   b. ______________________________

   c. ______________________________

   d. ______________________________

   e. ______________________________

3. What are the purposes of this evaluation? To what use will the results be put? What would you like this evaluation to accomplish?

   a. ______________________________

   b. ______________________________

   c. ______________________________

   d. ______________________________

   e. ______________________________

4. What questions can you now formulate that must be answered to accomplish the purposes listed in Step 3 or determine progress desired in Step 2.

   a. ______________________________

   b. ______________________________

   c. ______________________________

   d. ______________________________

e. ______________________________

____

f. ______________________________

____

g. ______________________________

____

h. ______________________________

____

i. ______________________________

____

j. ______________________________

____

5. What kinds of information can you collect that will help you answer the question from Step 4? Be creative; look for more than test scores.

a. ______________________________

____

b. ______________________________

____

c. ______________________________

____

d. ______________________________

____

e. ______________________________

____

f. ______________________________

____

g. ______________________________

____

h. ______________________________

____

i. ______________________________

____

j. ______________________________

____

To assist with gathering information, it will be important to understand:

- Whom the program serves?
- What kinds of services are provided?
- What are the goals of the program?
- How is the attainment of goals measured?
- What is the schedule of activities?
- How many sites are involved?
- How will the results of the evaluation be used?
- Who else has a stake in the outcomes of the evaluation?

6. From whom or about whom will you secure your information? Will you use the entire group or only a specific sample of the group? Do you need help with sampling? Look at the types of groups below:

- Student
- Juvenile offenders
- Teachers
- Parents
- Significant others
- Siblings
- Community members
- Key informants
- School administrators

Which population group(s) will your evaluation assess?

a. ______________________________
____

b. ______________________________
____

c. ______________________________
____

d. ______________________________
____

e. ______________________________
____

f. ______________________________
____

Handout 6C

Developing Your Logic Model*

Logic Model

United Way of the Bay Area is a community impact organization. As a community impact organization, we seek to improve lives by making sustainable changes in community conditions through investments in strong, top-performing programs. One component of a strong program is one that demonstrates a logical connection among program activities, outcomes and community priorities.

The logic model helps us to understand the scope and ambition of your work, your goals and objectives, activities and measurable indicators of success, and what will be different for the community as a result of your work. Progress on these activities and outcomes will be reported in your interim and final reports to United Way of the Bay Area (UWBA).

For additional assistance, please contact your UWBA program officer.

What is a logic model: "A logic model is a systematic and visual way to present and share your understanding of the relationships among the resources you have to operate your program, the activities you plan, and the changes or results you hope to achieve. This model provides a road map of your program, highlighting how it is expected to work, what activities need to come before the others, and how desired outcomes are achieved." (*W.K. Kellogg Foundation Logic Model Development Guide,* Jan. 2005.)

The W. K. Kellogg Foundation publishes the two excellent manuals: *The W. K. Kellogg Foundation Logic Model Development Guide* and *The W.K. Kellogg Foundation Evaluation Handbook.* Both are free and can be ordered or downloaded from the Kellogg Foundation website http://www.wkkf.org

A logic model illustrates a program's *theory of change,* showing how day-to-day activities connect to the results or outcomes the program is trying to achieve. *There are several types of logic models, and no one model fits all needs. You may find it helpful to outline your program and outcomes using the format in the following table and example. Please note that outcomes should be measurable and should clearly relate to your stated objectives.*

Note: It is not necessary to submit your logic model in table format.

Goals	Objectives	Major Activities	Indicators	Outcomes (Specify Short Term and Long Term)
Increase the number of parents who read to their children on a daily basis Increase the percentage of children reading at proficiency	Appropriate, high-quality, and convenient parent/child literacy classes are available to target population	Provide parent/child literacy classes to target population teaching parents how to read to their children and support children's literacy development	# of parents served, # of classes held, # and percentage of children who increase reading scores on pre-test and post-test	*Short term:* Based on evaluation, 90 percent of parents increase their knowledge about how to read to children and increase amount of time reading to children to support literacy development *Long term:* Based on evaluation, parents are consistently supporting children's literacy development and 90 percent of children are reading at proficiency

* *Source:* United Way of Bay Area. *Developing Logic Models.* Accessed December 5, 2007, at http://www.uwba.org/about/logicmodel.DOC

Helpful Definitions

Goals: Define what you are trying to achieve as a direct result of your program. They indicate a measurable change, and the language used often starts with "to increase" or "to decrease."

Objectives: Actions necessary to achieve the goal.

Activities: (What you do) Those specific activities you conduct, and/or participants engage in throughout the course of your program in order to meet the objective.

Indicators: (Products of your activities, the data you want to collect) The specific, measurable characteristics or changes that represent achievement toward the outcome. May include number of participants served or trained, number of public forums held, participant satisfaction, or enhancement of program operations. Indicators are SMART = Specific, Measurable, Action-oriented, Realistic, and Timed.

While you can likely generate a long list of possible indicators for each component of your logic model, some of them will make more sense for you to track than others. For example, some will require fewer resources. Or you might be able to use a single indicator for multiple components on your model.

Consider these questions as you choose your indicators.

- Is the indicator relevant—does it enable you to know about the expected result or condition?
- Is the indicator defined and are data collected in the same way over time?
- Will data be available for the indicator?
- Are data for the indicator currently being collected or can cost-effective instruments for data collection be developed?
- Will the indicator provide sufficient information about a condition or result to convince both supporters and skeptics?
- Is the indicator quantitative?

Outcomes: (How you know you have met your goals) Measurable benefits received by participants during or after their involvement in your program. Includes the short-term results, such as changes in knowledge, awareness or skills, and long-term ultimate impact such as changes in social, economic, civic or environmental community conditions. Number of participants served, or participant satisfaction rates, are indicators, not outcomes.

Outcomes represent the difference that your project makes to the current situation. Consider these questions:

- What long-term impacts do you want to see in your community?
  - To what extent are you able to reduce or eliminate the community needs or issues?
  - What will long-term success be? How will you recognize success? How will you measure your success?
- What short-term results will you experience or generate which will bring you closer to long-term changes?
  - What will short-term success be? How will you recognize success? How will you measure your success?

For example, in a youth development program that creates internship opportunities for high school youth, an *outcome* might be that participants develop expanded views of their career options. An *indicator* of how well the program is succeeding on this outcome could be the number and percent of participants who list more careers of interest to them at the end of the program than they did at the beginning of the program.

Additional Resources

- United Way of America Outcome Measurement and other Resources
  http://national.unitedway.org/omrn/
- Harvard Family Research Project
  http://gseweb.harvard.edu/~hfrp/
- Child Care Subsidy Logic Model
  http://www.ccpfc.org/ccs/logicmodel.htm

Outcome Evaluation

The Internet has links to dozens of good resources on outcome evaluation, including examples from many types of organizations. This list covers some of the best sites for general information, step-by-step manuals, and tools.

- **Basic Guide to Program Evaluation**
  http://www.mapnp.org/library/evaluatn/fnl_eval.htm

  Carter McNamara's introduction to evaluation describes the different kinds of evaluation that can be applied to nonprofit programs.

- **Basic Guide to Outcomes-Based Evaluation for Nonprofit Organizations with Very Limited Resources**
  http://www.mapnp.org/library/evaluatn/outcomes.htm

  Another of Carter McNamara's useful guides. The title says it all.

- **PEOD (Program Effectiveness Organizational Development) Evaluation Clearinghouse**
  http://www.unitedwaytoronto.com/PEOD/index.html

  The United Way of Greater Toronto created this site to help agencies locate both print and online evaluation resources—including how-to manuals, reports, bibliographies, and relevant research—that will facilitate the application of outcome measurement within their agencies. The Clearinghouse helps steer people through the labyrinth of evaluation resources that are available.

- **Outcome Measurement in Nonprofit Organizations: Current Practices and Recommendations (search for Outcomes)**
  http://www.independentsector.org/programs/research/research.html

- **Outcomes Evaluation in the Human Services**
  http://www.the2professors.com/

  This Web site aims to assist human service organizations in evaluating the effectiveness of their programs and to help them identify resources that will enable them deliver services in a more effective manner.

- **Outcome Measurement Resource Network**
  http://national.unitedway.org/outcomes/

  The Resource Network of the United Way of America offers information, downloadable documents, and links to resources related to the identification and measurement of program- and community-level outcomes.

- **Outcomes Toolkit 2.0**
  http://ibec.ischool.washington.edu/ibecCat.aspx?subCat=Outcome%20Toolkit&cat=Tools%20and%20Resources

  Although targeted to library evaluation, the four step process for conducting an outcome-based evaluation is easily adaptable to other services.

- **W.K. Kellogg Foundation Evaluation Handbook**
  http://www.wkkf.org

  This handbook provides a framework for thinking about evaluation as a relevant and useful program tool. It was written primarily for project directors who have direct responsibility for the ongoing evaluation of W.K. Kellogg Foundation-funded projects.

Handout 6D

Web Resources for Logic Models

Name of Resource	Web Address
Construct a Logic Model for Your Program	http://www.unitedway.org/Outcomes/Resources/MPO
Logical Framework Analysis	http://www.gdrc.org/ngo/logical-fa.pdf
Developing a Logic Model, Theory of Change, or Strategy that Details the Intermediate Outcomes or Milestones Required to Achieve the Longer-Term Outcomes	http://national.unitedway.org/outcomes
Everything You Wanted to Know About Logic Models But Were Afraid to Ask	http://www.insites.org/documents/logmod.htm
From Logical Framework to Budget	http://www.mdf.nl/en/images/profiles/nl_PCM-PLAN.pdf
The Use of Logic Models in Health Promotion Practice	http://www.goodworksonline.com/sitebuildercontent/sitebuilderfiles/webintroductiontologicmodels1.doc
Learning from Logic Models: An Example of a Family/School Partnership Program	http://www.gse.harvard.edu/hfrp/pubs/onlinepubs/rrb/learning.html
Evidence-Based Chronic Disease Prevention—Module Seven: Logic Model Development	http://www.uic.edu/depts/ovcr/hrpc/module/m7IN.ppt
Logic Model Development Guide: Using Logic Models to Bring Together Planning, Evaluation, and Action	http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf
Performance Monitoring Indicators: A Handbook for Task Managers	http://www.worldbank.org/html/opr/pmi/pmi.pdf
Making Logic Models More Systemic: An Activity	http://www.insites.org/documents/lmact.pdf
Evaluation Logic Model Bibliography	http://www.uwex.edu/ces/pdande/evaluation/evallogicbiblio.html
University of Wisconsin–Extension Logic Model	http://www.uwex.edu/ces/pdande/evaluation/evallogicmodel.html
The Logic Model: A Program Performance Framework (PowerPoint presentation from University of Wisconsin–Extension)	http://www.uwex.edu/ces/pdande/evaluation/powerpt/Logicmodel.PPT

Note. All Web addresses in this table were accurate as of November 7, 2007.

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A Life in the Community for Everyone
SAMHSA
Substance Abuse and Mental Health Services Administration
U.S. Department of Health and Human Services

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