THE ORGANIZATIONAL CHARACTERISTICS OF NONPROFITS FOR THREE LEVELS OF SYSTEM COMPLEXITY

ORGANIZATIONAL AREA	LEVELS OF SYSTEM		
	SIMPLE SYSTEM	MODERATELY COMPLEX SYSTEM	HIGHLY COMPLEX SYSTEM
GOVERNANCE	G/S-1 Are there current by-laws in place?	G/M-1 Does the board regularly review the by-laws for consistency with its mission?	
	G/S-2 Do the by-laws include term limits for board members?	G/M-2 Is the organization's structure in alignment its goals & mission?	
	G/S-3 Is the annual budget approved by the board?	G/M-3 Has the board established broad policies for the organization to operate within?	
	G/S-4 Do board members serve without compensation except for being reimbursed for expenses directly related to board service?		
BOARD DEVELOPMENT	BD/S-1 Does the board operate out of its by-laws?	BD/M-1 Does the board have effective committees with written job descriptions?	
	BD/S-2 Does the board have written expectations for all board members, including participation in fundraising activities, contributing some amount of money to the organization, committee service, and attendance at board meetings? Are there procedures in place to address noncompliance?	BD/M-2 Does the board recognize its duty to establish and review organizational policies and assures the implementation of these policies?	
	BD/S-3 Is the board clear on its role and responsibilities?	BD/M-3 Does the board establish an annual fundraising plan?	
	BD/S-4 Does the board perform its role effectively?	BD/M-4 Does the board review annually the percentage of the organization's resources spent on program, administration and fundraising?	
	BD/S-5 Does the board have the	BD/M-5 Does the board annually review	

	needed skills, diversity and community representation on it? Does it reflect the clients and community it serves?	its own effectiveness?	
	BD/S-6 How does the board regularly select new members?	BD/M-6 Is the board informed about the organization and how does it stay informed?	
	BD/S-7 How often does the board meet and are the meetings attended by a quorum of the board?	BD/M-7 How are new board members oriented to the organization and their role?	
	BD/S-8 Does the board have effective meetings?		
	BD/S-9 Do board members help articulate the vision and values of the organization?		
	BD/S-10 Do board members support the organization's programs?		
	BD/S-11 Does the board regularly review the organization's financial reports?		
	BD/S-12 What role does the board have in fund development?		
	BD/S-13 Do all board members contribute to the organization monetarily?		
	BD-/S-14 Is the board committed to the success of the organization and willing to spend time ensuring that success?		
	BD/S-15 If an employee is on the board, are there processes in place to insure that the employee does not exercise undue influence?		
	BD/S-16 Does the board annually review the performance of the executive director?		

PLANNING	P/S-1 Does the organization have mission, vision and values statements? If yes, do all members of the organization have a shared understanding of them?	P/M-1 Does the organization have a 3-5 year strategic plan?	P/H-1 Does the organization view planning as a technique integral to management and develop the skills to accomplish it?
	P/S-2 Does the organization stay in tune with what's going on in their geographic service area?	P/M-2 Does the organization have annual objectives and implementation plans for its strategic plan?	P/H-2 Do all levels of board and staff accept that planning is important and needs to be done regularly?
	P/S-3 Does the organization have a clear understanding of who its clients/constituencies are?	P/M-3 Does the organization have mechanisms in place to track their progress toward their objectives and to evaluate the progress of the previous year?	P/H-3 Does the organization have a board member with extensive planning experience?
	P/S-4 Does the organization have a clear understanding of the needs and wants of its clients/constituencies?	P/M-4 Does the organization periodically revisit its mission to determine if the need for its programs continues to exist?	
	P/S-5 Does the organization have an annual operating plan with goals and action steps?	P/M-5 Are there feedback mechanisms in place for clients/constituencies to make known their suggestions to the organization?	
		P/M-6 How does the organization work with related/similar organizations?	
FUND DEVELOPMENT	FD/S-1 What is the organization's approach to fund raising?	FD/M-1 Is there a staff person responsible for implementing the overall fund-development plan and for monitoring all funding contracts?	FD/H-1 Does the organization have a thought-through, diversified funding strategy including: • earned income • government/United Way • foundations • corporations • individuals • events
	FD/S-2 Is there a budget that reflects fund development needs and goals?	FD/M-2 Does the organization have a process for setting and implementing annual fundraising goals?	FD/H-2 Does the organization have a board member with extensive experience in fund development?
	FD/S-3 Does the organization track who gives and how much?	FD/M-3 Are the organization's fundraising costs reasonable over time?	

		(Over 5 years, contributions should at least be three times the amount spent on fundraising.)	
	FD/S-4 Does the organization acknowledge its donors?	FD/M-4 Does the organization have systems in place that respect the privacy and confidentiality of donors?	
	FD/S-5 Are solicitation and promotional materials accurate and truthful about the organization and the intended use of the funds?	FD/M-5 Does the organization have criteria and policies for the acceptance and disposition of charitable gifts? These would include any limits on individuals or entities from which the organization will accept a gift, the purposes for which donations will be accepted, the type of property which will be accepted.	
	FD/S-6 Does the organization have systems to honor donor's requests not to be approached for funds?	FD/M-6 Is there a fund-development plan in place that reflects the organization's mission and goals and, when implemented, will equip the organization with the resources that will allow it to operate effectively?	
	FD/S-7 Does the organization use contributed funds as it advertised it would and as a donor may have specified?		
FINANCIAL MANAGEMENT	FM/S-1 Is the organization in fiscal compliance with legal and governmental regulations?	FM/M-1 Does the organization have written financial policies governing investment of assets, internal controls, purchasing practices, and unrestricted current net assets?	FM/H-1 Does the organization have a board member with extensive financial management experience?
	FM/S-2 Does the organization have an annual operating budget?	FM/M-2 Does the organization's budget reflect its annual priorities?	
	FM/S-3 Is there a process in place for the board to modify the budget?	FM /M-3 Does the organization have a balanced annual operating budget?	
	FM/S-4 Does the board review and approve the budget annually?	FM/M-4 Does the organization regularly monitor its income and expenses relative	

		to its annual budget?	
	FM/S-5 Does the organization have a bookkeeping system in place?	FM/M-5 Does the organization project financially beyond an annual budget?	
	FM/S-6 Does the organization have a way to ensure that it is not overspending?	FM/M-6 Are there internal controls on financial transactions?	
	FM/S-7 Does the organization provide employees a confidential means to report suspected financial impropriety?	FM/M-7 Are there regular finance reports prepared, reviewed and used in decision-making and planning by the board and staff?	
		FM/M-8 Does the organization have the capability to produce reports to multiple funders on a varied schedule?	
		FM/M-9 Is there a system in place for regular cash flow projections and monitoring?	
		FM/M-10 Is the organization's debt appropriate to the size of its budget?	
		FM/M-11 How much operating reserve is there?	
		FM/M-12 Does the organization have its books audited?	
		FM/M-13 Does the organization have staff to perform the financial management function?	
HUMAN RESOURCES	HR/S-1 What is the relationship between the board and the staff?	HR/M-1 Does the organization have personnel policies and procedures in place that are legally grounded, of high quality, and respectful of the dignity and rights of every individual?	HR/H-1 Does management understand their role as leaders and stewards of the organization?
	HR/S-2 Do staff participate in shaping the direction of the organization?	HR/M-2 Are there written job descriptions for staff?	HR/H-2 Does the organization have a staff development program with resources behind it?
	HR/S-3 Are there regular staff meetings?	HR/M-3 Are staff roles and responsibilities clear and understood by all?	HR/H-3 Does the organization have a succession management plan in place for key leadership?

	HR/S-4 What is the morale of the staff?	HR/M-4 Do staff members have annual work plans that are linked to the organization's strategic goals?	HR/H-4 Does the organization stay abreast of new developments in nonprofit management?
	HR/S-5 How does the organization use volunteers?	HR/M-5 Is there a formal regular system in place for staff evaluation that links performance standards to salary increases and frequent rewards?	HR/H-5 Does the organization have a board member with Human Resource experience?
		HR/M-6 Are there sufficient staff and volunteers to deliver the organization's services? If there are gaps, can the organization fill them?	
		HR/M-7 Does the organization have a formal system to recruit, train, supervise and evaluate volunteers?	
		HR/M-8 Does the diversity of the staff reflect the diversity of the organization's constituents in order to achieve its mission?	
		HR/M-9 Are staff meetings used to inform, educate and encourage discussions about the organization?	
		HR/M-10 Are employees informed about and understand their rights and responsibilities within the organization?	
		HR/M-11 Is there a staff orientation for new staff?	
PROGRAM	P/S-1 Does the organization track the quantity of services delivered?	P/M-1 Are core programs in alignment with the mission and vision?	P/H-1 Does the organization know and analyze the cost of its program activities and the most cost-effective ways of delivering them?
	P/S-2 Does the organization monitor the quality of the programs and services provided?	P/M-2 Does the organization have an ongoing system in place to determine the quantity, quality and impact of the programs and services it provides?	P/H-2 Does the organization align itself with other similar programs or programs in other geographical areas to assure the best cost effective delivery of its services?
		P/M-3 Does the organization use the	

		information from P/M-2 in an ongoing way to improve its programs and services and add new ones if necessary?	
		P/M-4 Does the organization have a written policy on advocacy defining the process by which it will determine positions on specific issues?	
MARKETING & COMMUNICATIONS	MC/S-1 How does the organization communicate with its board, staff and volunteers?	MC/M-1 Does the organization annually make available to the public information about its mission, program, basic financial data and names of board and staff?	MC/H-1 Does the organization have a board member with marketing experience?
	MC/S-2 Does the organization have a system for insuring the accuracy of educational information it provides to the public?	MC/M-2 Does the organization have in place a way by which a member of the public could communicate with them if wanted?	
		MC/M-3 Does the organization have an effective public relations process/plan in place?	
		MC/M-4 Is the organization actively "branding" itself?	
		MC/M-5Does the organization have appropriate materials for us in public relations and marketing?	
		MC/M-6 Does the organization regularly assess the market relative to competitors and client need and satisfaction?	
		MC/M-7 Does the organization have adequate resources to fund their marketing plan?	
FACILITIES	F/S-1 Does the organization have adequate liability insurance?	F/M-1 Do the organization's mission, program needs, and managerial and financial capacity guide facility decisions?	F/H-1 Does the organization integrate long-term facilities planning and decision-making into its overall long-term strategic planning?
	F/S-2 Is the facility adequately maintained? Is there a plan for future	F/M-2 Is the facility adequate for the organization's needs?	F/H-2 Does the organization have financial systems, policies and resources

	maintenance needs?		that enable it to assess, plan for and control facilities-related costs in the short-term and long-term?
		F/M-3 Does the organization have the necessary office equipment to do its program?	F/H-3 Does the organization have short and long term operating and maintenance plans for its facility?
		F/M-4 Does the organization hire and train competent people to maintain the facility?	F/H-4 Is there a replacement schedule for equipment?
		F/M-5 Does the board work in partnership with the executive director to make major facilities decision, but does not get involved with day-to-day facility issues?	
		F/M-6 Does the facility allow reasonable access to persons of all ability levels?	
INFORMATION TECHNOLOGY	IT/S-1 Does the organization have basic information technology capacity—word processing, email & web access?	IT/M-1 Does the organization have an integrated hardware and software system?	IT/H-1 Does the organization include information technology in planning and decision-making with respect to agency long-term goals and programs?
		IT/M-2 Do the staff have the skills to effectively use the information technology system?	IT/H-2 Does the organization have a technology and information infrastructure that supports operations and planning?
		IT/M-3 Is there a system for repair and regular upgrade of hardware and software?	IT/H-3 Does the organization have the skills and technology capacity to maintain, administer, procure and provide user support for its systems?
		IT/M-4 Is there a commitment of the money needed for information technology?	IT/H-4 Does the organization effectively use information technology for all of its management and information needs?
			IT/H-5 Does the organization have a board member with IT experience?
LEGAL	L/S-1 Are all fiscal and legal reports filed with the state and federal	L/M-1 Does the organization have access to a lawyer?	L/H-1 Does the organization have a board member with legal experience?

	governments regularly?	
	L/S-2 Does the organization comply with all laws and regulations related to fundraising, financial accountability, human resources, lobbying and taxation?	L/M-2 Does the organization periodically conduct an internal review of its compliance with existing legal and financial reporting requirements and provide a summary of the review to the board?	
	L/S-3 Does the organization have a written conflict of interest policy for board, staff and volunteers who have significant independent decision making authority regarding the resources of the organization? Are these policy statements read and signed by all board, staff and volunteers?	
	L/S-4 Does the organization comply with the federal and state laws requiring disclosure of information to the public?	