

## **Quick Reference Guide**

The following assessment tool was developed by Nazarene Compassionate Ministries, Inc. (NCMI) with consultation from BTW Informing Change. This tool is designed for the following: • To provide Faith-Based Organizations/Non-Government Organizations

- (FBOs/NGOs) with a learning and development opportunity. • To identify areas of organizational capacity and areas that need development.
- To prioritize those needs and inform NCMI how best to support the participating
- organizations in the form of consulting, training, and other resources. If you have any questions, email APEX@ncmi.org

I. Legal Documentation Checklist						
Item	Description	Yes	No	In Progress	Not Applicable	
Articles of	Articles of Incorporation filed with state and kept in active status				0	
Incorporation	Articles of Incorporation filed with NCM and are up-to-date				П	
Bylaws	Bylaws written and approved by the Board and filed with state and NCM and periodically reviewed.				0	
501(c)(3) Status	501(c)(3) filed with IRS					
301(c)(3) Status	501(c)(3) acceptance letter filed with NCM					
Payroll	Filed and received an Employer Identification Number					
Documentation	If paid staff, make proper payroll deductions and file and maintain payroll tax documentation					
IRS 990 Form	For 501(c)(3) approved organizations, IRS 990 form completed and filed annually					
	Initial and periodic review of insurance needs with agent and creation of the proper policy					
Insurance	Officers Liability Insurance Policy			_		
	If paid staff, Workers Compensation Insurance					
Legal/Financial Advisors	Maintains legal and financial advisors for consultation on legal documentation or transactions					
Registered Agent	Registered agent and contact address current with state					

II. Mission / Vision / Values / Strategic Planning

Topic	Level 1	Level 2		Level 3	Level 4	Level		
Mission	Verbal statement that expresses the reasons for the organization's existence; held by very few and rarely referenced	A simple, written mission statement of values and purpose that expresses the reason for being; held by some within the organization and referenced occasionally	mission accura values the or many	ned and concise on statement that ately reflects the s and purpose of ganization; held by within the organiza- nd often referenced	A clear mission statement that accurately reflects the values and purpose of the organization that is easy for staff and Board Members to articulate and is frequently referenced	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Vision	The ability to articulate a vision for future ministry; little shared understanding of what the organization aspires to become beyond the stated mission	A clear understanding of what you want the ministry to become; held by a few, but rarely used to direct actions or set priorities	unders you w becon Board	ar and specific standing of what ant the ministry to ne; held by the and staff and often to direct actions and orities	A clear and specific under- standing of what you want the ministry to become; held by the Board and staff and used consistently to direct actions and set priorities and is periodically reviewed	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Core Values	Shared values are not recognized nor articulated within the organization	A common set of core values exists and is articulated, but is not shared broadly	values articul the Bo organi values and di respec	umon set of core sexists and is atted and written by bard to guide the ization; the core are shared broadly iscussed with ct to how they operations	A common set of core values exists and is widely shared; provides alignment for the direction and actions of the organization; beliefs are embodied by the leadership; beliefs and values support the purpose of the organization and the values are used consistently to guide the organization and reviewed periodically	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Strategic Planning	Limited ability and tendency to develop a strategic plan; at least a verbal plan of how you will accomplish your mission and vision	Ability to develop a strategic plan; a simple, written short-term plan exists of how you will accomplish your mission and vision that is used at times to guide management decisions	cy (at to eng planni fully e proces develo that is	and periodic tenden- least once a year) jage in strategic ng process; board ngaged in planning ss and actively oping a written plan used to guide gement decisions	Ability and tendency to develop realistic and detailed three to five year strategic plan and an annual Board retreat for review and planning; strategic plan is used extensively to guide management decisions	Level 1 Level 2 Level 3 Level 4 Not Applicable		
	III. Board Development							
Category	Level 1	Level 2		Level 3	Level 4	Organization's		

Level

ategory / Topic

Topic								
Board Member Roles and Expectatio	mission and visio	Member job descrip- tion exists with roles and expectations; n and Board Members	requirements plus Board members are actively involved in strategic planning and governance decisions	Level 1, 2 and 3 requirements plus each member of the Board annually contributes financially to the organization	Level 1 Level 2 Level 3 Level 4 Not Applicable			
Board Meetings	Regular Board of Director meetings are held and attended		Regular Board of Director meetings are held and attended; Board meeting agenda and minutes are written and filed; Board Chair (separate from Executive Director) convenes and facilitates each meeting	and minutes are written and filed; Board Chair (separate from Executive Director) convenes and facilitates each meeting; Board assesses the performance of its structures and policies annually	Level 1 Level 2 Level 3 Level 4 Not Applicable			
Board Developme	An official Board of Directors is established to govern and raise resources for the organization	The Board of Directors establishes a set of policies addressing board recruitment, retention and rotation	Policies addressing board recruitment, retention and rotation are in effect; new Board Member orientation program exists that conveys the organization's mission and vision, outlines roles and expectations, and alerts them to their fiduciary responsibility	The Board assesses its overall performance annually and engages in focused board development either in regular meetings or special retreats	Level 1 Level 2 Level 3 Level 4 Not Applicable			
	IV. Financial Accountability							
Category / Topic	Level 1	Level 2	Level 3	Level 4	Organization's Level			
	account	account; gifts and grants deposited; bills	Basic checking account; gifts and grants deposited; bills and grants deposited; bills	Basic checking account; gifts and grants deposited; bills paid regularly; addi- tional bank account (say-	Level 1			

Banking	Basic checking account	Basic checking account; gifts and grants deposited; bills paid regularly	Basic checking account; gifts and grants deposited; bills paid regularly; addition- al bank account (sav- ings or Money Market) for designated gifts and/or savings	Basic checking account; gifts and grants deposited; bills paid regularly; additional bank account (savings or Money Market) for designated gifts and/or savings; Well established relationship with local bank	Level 1 Level 2 Level 3 Level 4 Not Applicable
Book- keeping	Establish a fiscal year end and set-up basic bookkeeping practices (checks and balances)	Established dual approval system in place where one person approves the expense and a second signs the check, and two signatures required for checks over a prede- termined amount	Established dual approval system in place; Make proper bookkeeping adjust- ments as directed by auditor or reviewer and track restricted funds separately	Established dual approval system in place; Make proper bookkeeping adjustments as directed by auditor or reviewer and track restricted funds separately; consider EFCA Certification (if applicable)	Level 1 Level 2 Level 3 Level 4 Not Applicable
Reporting System	Establish basic internal financial controls; appointment or election of a Treasurer who reviews the checkbook and reports monthly	Monthly Treasurer's review; written finan- cial reports provided for each Board meet- ing and an annual financial report	Monthly Treasurer's review; written financial reports provided for each Board meeting and an annual financial report; Separate roles for bookkeeper or treasurer	Internal systems and con- trols that govern financial operations and reporting are in place and integrat- ed with budgeting, deci- sion-making and organi- zational goals; cash flow is actively managed	Level 1 Level 2 Level 3 Level 4 Not Applicable
Tax/Audit	Consultation with a tax expert to determine what you must file and some kind of donation receipt process for tax purposes	Outside CPA for con- sulting purposes, all taxes paid, proper paper work filed with IRS and at least one review complete	Outside CPA for con- sulting purposes, all taxes paid, proper paper work filed with IRS; At least one audit complete	Outside CPA for consult- ing purposes, all taxes paid, proper paper work filed with IRS; Annual audits conducted	Level 1 Level 2 Level 3 Level 4 Not Applicable
Budget	A rough, but written budget for the whole organization exists that estimates income and expenses	A written, more complete and compre- hensive annual budget for the organization exists that is used sometimes to guide financial decisions	A comprehensive annual budget for the organization exists that is used often to guide financial decisions; some attempt is made to isolate specific program budgets within the organizational budget	A comprehensive annual budget for the organization exists that is used consistently to guide financial decisions; specific program budgets exist within the organizational budget, financial planning attempts are made to secure funds for organizational development (e.g. ongoing leadership development)	Level 1 Level 2 Level 3 Level 4 Not Applicable

V. Fund Development ategory / Topic Organization's Level 1 Level 2 Level 3 Level 4 Level An ongoing, comprehensive marketing strategy is devel-oped and in effect; marketing materials are in use; a func-tional website is in place Level 1
Level 2
Level 3
Level 4
Not Applicable A marketing plan is in development; At least one advertising piece such as a brochure is A marketing plan is in effect with some marketing materials in use; a func-tional website is in place Ideas exist for Marketing marketing your organization and its programs Advertising n place Board Members com-mit to contribute to fund There is 100% participation from Board in the area of fund development Board Members are actively contributing to fund raising efforts; Board Board Members Level 1 **Board** are aware of expectations to contribute to fund raising efforts raising efforts; Board Involve-Level 3 members are willing to provide names and Members sponsor annual Board sponsored fund Level 4
Not Applicable ment addresses for mailings raising event(s) Level 1, 2 and 3 characteris-tics plus donors are acknowl-edged annually in an organi-zation or community event Level 1
Level 2
Level 3
Level 4
Not Applicable Potential donors are iden Level 1 and 2 characteris-Donor tics plus donors are appre ciated as appropriate in organization promotional materials and other avenues identified: some tified and cultivated: An kind of donation acknowledgement system is in place automated quick respons system of donor Develop ment cknowledgement exists A written, multi-year strategic A simple, written strategy exists for funding your organization; more than one source of income exists for the organization Some kind of strategic fund raising plan exists that includes multiple funding streams (private foundations, public entities, individuals, churches, income generation, micro-enterprises, etc.); more than two surges of income Organization has secured at least one source for start-up funding A Writterl, finur-year success, and und development plan exists that includes multiple funding streams (private foundations, public entities, individuals, churches, income generation, microenterprises, etc.); the organization is supported by multiple Level 1 Level 2 Level 3 **Funding** Streams Level 4
Not Applicable than two sources of income exist for the organization tion is supported by multiple sources of funds or income Friends and family mailing list in place and updated regularly; at least a quarterly mailing that explains what you are doing and asks for financial assistance; accurate and up-to-date donor database with some kind of tracking system Creation of a friends and family Friends and family Friends and family mailing riems and family mailing list in place; a plan for collecting information on poten-tial donors that can be included on the mailing list Friends and farility frailing list in place and updated regularly; obtainment of a bulk mail permit; at least a quarterly mailing that explair what you are doing and asks for financial assistance. Level 1 mailing list (Staff and Board Members) Level 2
Level 3
Level 4 **Direct Mail** Not Applicable No grants or con-tracts yet secured Developed list of per tinent foundations and granting agen-cies to pursue Application or proposal Application or proposal sub Application of proposal sub-mission to several targeted foundations and granting agencies; a tracking and reporting system for grants and annual reports in place; success at securing and maintaining multiple grants submission to several tar-geted foundations and Level 1 Level 2
Level 3
Level 4
Not Applicable granting agencies; a track-ing and reporting system for grants and annual reports in place Grants & Contracts VI. Human Resources Category / Topic Organization's Level 1 Level 2 Level 3 Level 4 Level Active volunteers in place; volunteer recruitment strategy in action; comprehensive volunteer recruitment, appre-ciation and evaluation process in place One or more volunteers in place; no volunteer Active volunteers in place volunteer recruitment strategy in action; regular volunteer appreciation Volunteer recruitment strategy developed Level 1 Volunteer Develop-Level 3 Level 4
Not Applicable ment strategy Completed and regularly Establishment of Basic personnel (paid and No organization Basic personnel (paid and non-paid) policies and proce dures in place; Board or committee given responsibility to develop a Human Resourcer manual with policies that reflect the organization's values and mission reviewed Human
Resources manual with
policies that reflect the
organization's values an
mission Establishment of basic policies and procedures that guide your employees and volunteer staff, including hiring and firing procedures Level 1
Level 2
Level 3
Level 4
Not Applicable policies or procedures in existence Policies & **Procedures** Complete and regularly updated Human Resources filing system with proper No personnel Basic file for each Basic files in place; Executive Director, staff Level 1 employee and volunteer that includes the proper files in place and Board resumes and Level 2 Documenta documentation, resumes, credentials, disciplinary action, performance evaluations, etc. tax documents, immi-gration documentation, credentials and disci-plinary documentation Level 3
Level 4 credentials on file within the organization tion ■ Not Applicable Performance management system in place with regular review and evaluation process; confidential Some kind of per-formance evaluation performance system in place with regular review and evaluation process; confidential employee discipline process with oral and written Level 1 process exists for paid-staff and volunteer-staff.\* (\*Volunteers acting in a staff capacity.) management system in place Level 2 employee discipline process with oral and written discipli-nary procedures in place Evaluation Level 4 disciplinary procedures in place; annual Executive ☐ Not Applicable Director evaluation process Some kind of strategy for recruiting and paying staff in place; development of formal plans for recruiting and maintaining paid staff positions Recruiting and maintain-ing paid staff positions plans in action; Full-time Executive Director or administrative position Recruiting and maintaining paid staff positions plans in action; Full-time Executive Director or administrative position; Employee benefits package (health insurance) No staff development systems in place Level 1
Level 2
Level 3

Category Level 1		Level 2	Level 3	Level 4	Organization's Level		
Needs Assess- ment	An ad hoc needs assessment process is completed that identifies your community's or targeted populations' needs, assets and liabilities	A more formal assess- ment process is completed; a simple "needs statement" is written that describes the service gaps and affirms need for your particular program	Needs statement is periodically updated	Needs statement is periodically updated; program design and delivery evolve to meet targeted population's needs	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Program Planning	Some kind of program plan that outlines the need and provides a solution is crafted	A fuller program description is written	Written, detailed program descriptions with measurable outcomes are established	Program plans and measurable outcomes are in place; periodic review of the needs statement and program updates, if necessary, are made	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Evaluation	No evaluation system is in place	Informal program evaluation process is created and tested	More formal evaluation process for each program are developed	Periodic written evaluations and updated outcomes for all current programs are in place to ensure the organization is meeting the expectations and needs of the community	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Partner- ships	Basic knowledge of other organizations involved in similar activities and programs	Network and dialogue with organizations involved in similar activities and programs to discover potential ways of partnering	Formal or informal partnerships with other organizations in the community	Continued networking and development of formal and informal collaborations with other community organizations	Level 1 Level 2 Level 3 Level 4 Not Applicable		
Reporting and Account- ability	No annual report available	Established plans and an outline of the basic information to convey in an annual report	Some kind of Annual Report that communicates the community impact of your programs	Regularly issued Annual Report that communicates the community impact of your programs	Level 1 Level 2 Level 3 Level 4 Not Applicable		
VIII. Organizational Capacity  Please check the organization description, 1-4, that most closely matches your Check							

VII. Program Development

package (health insurance,

pension, workers comp., etc.) in place; and Executive Director/ Leadership transi-tion plan to sustain the

organization through periods of transition also in place

Level 4
Not Applicable

Staff

Develop-

ment

VI Ş	gamzation.	Onc					
Level 1	A nonprofit organization with little or no administrative infrastructure or organizational capacity. The organization has completed and/or filed some, but not all of its legal documentation. It has not fully developed its mission or focused on a purpose. It might have a slogan, but no real mission or plan to carry out that mission. These organizations often lack focus and need quickly to determine their niche. The board is most likely made up of individuals who have little to no experience serving on a nonprofit board. There is no board orientation, training or development at this point. The executive director is a novice and/or inexperienced and most likely fulfilling most of the organizational tasks. Financial capacity is limited, with a basic checking account, and limited or nonexistent accounting systems and financial safeguards. Fund development is very basic, with only a few sources of income, most coming from one source—the sponsoring organization (such as a church or a group of churches). The organization operates with a mostly volunteer staff and a part-time or underpaid executive director. Programs tend to be informal, with little focus and unwritten goals or objectives; there is no formal or even informal evaluation process for programs.						
Level 2	A relatively new organization or one that is just beginning to develop its administrative capabilities. All current legal documentation has been filled and updated as needed. The organization is refining and focusing its mission and vision. The Board of Directors understands its role in governance and resource development and accepts more responsibility, but still struggles with identity and planning. The organization has some administrative infrastructure, including a functional bookkeeping system. Funding is diversifying, with more varied sources of income, but is still reliant in just a few major sources for financial support. The organization is acquiring more staff, mostly as part-time, temporary or volunteer. Programs are becoming more formalized and structured. Overall, the organization is growing and developing a stronger administrative infrastructure, with more written plans and documentation.						
Level 3	Level three organizations maintain a level of consistency and strength that gives them stability during leadership transitions and program and structural changes within the organization. These organizations have built a strong administrative infrastructure that maintains the proper legal documentation - keeping everything current and accurate. The organization is concise, clear and accurate in articulating its mission and vision. It is gaining visibility within its community and becoming a key player in community decision making. The board of directors is undergoing continual training and development, taking a more active role in fund raising, strategic planning and governance. The executive director is still functioning in a key leadership role, but the board is beginning to accept more responsibility for leading the organization. The organization's administrative structure is developing and growing, with more stable leadership, more accurate tracking, and more consistent, relevant and written documentation. The organization has articulated its mission, vision and programs efficiently to its constituents and is developing a comprehensive funding strategy. It is moving from "present thinking" to "future thinking." Strategic planning and organizational development are more of a priority than in the past. The organization is beginning to move from volunteer based programming to professional staffing. Programs are more structured with measurable outcomes and program evaluations, no matter how sophisticated.						
Level 4	Level four organizations are very strong and able to maintain their programs during leadership transitions. They are consistent and stable, having multiple leaders and a strong board of directors. The board is active in fundraising and governs effectively. The organization has built in administrative capacity that allows it to manage large, complex programs, collaborations and partnerships, and grants. Systems are in place to utilize finances appropriately and maintain sufficient records for audits and evaluations. The organization is very specific in its mission and articulates it well. It is highly involved in community affairs, with the ability to influence decision makers, and is engaged in substantial partnerships and collaborations within the community to address the needs of and provide resources for the community. The board and staff are involved in ongoing development and training. The board and executive director maintain a common mission and vision, and share leadership. The organization maintains and updates periodically its written manuals, job descriptions and review processes. It spends increased time in the planning phase of projects and programs to insure sustainability and produce desired results. Programs are continually reviewed to guarantee that they are working properly. Level four organizations are not perfect, nor do they have everything functioning properly. The difference is that they know their strengths and weaknesses, continuing to strengthen those areas that are faulty and gaining strength as an organization.	0					
	IX. Priorities for Capacity Building						
	Please check your organization's top three priority areas for strengthening or building capacity. Please check only one box in each column.						

	Legal	Mission/ Vision/ Values/ Strategic Planning	Board Develop- ment	Financial Account- ability	Fund Develop- ment	Human Resources	Program Develop- ment
Priority 1			0				0
Priority 2	0	0	0	0	0	0	0
Priority 3		0	0	0	0	0	0