



Five Elements of a Healthy Nonprofit

Top-Level Recommendations

Congratulations on having taken our **Five Elements of a Healthy Nonprofit Self-Assessment**. Understanding where you are in relation to where you want to go is the first step in the journey to get there. This document is intended to give you a brief overview of the help available to you from **501 Commons** and our **Statewide Nonprofit Resource Directory**. While most of the consultants and other service providers listed in the Resource Directory are located in Washington State, many of them serve organizations throughout the country. You can also check with the **National Council of Nonprofits** for a nonprofit association in your state for assistance in finding appropriate service providers.

Element 1 – Governance & Boards

The board of directors is central to the success of a nonprofit organization. It provides oversight, expertise, support, connections to stakeholders like community leaders, and a long-term perspective.

The executive and the board need to partner, since their success depends on each other. A lack of clarity about the role and focus of the board is a bigger threat to an organization than lack of funding. Check out **501 Commons' Board Best Practices guide** for assistance in defining board roles, establishing board policies, and putting a board self-assessment in place. 501 Commons and many excellent **service providers in our Resource Directory** can help you plan a board retreat, develop a board recruitment plan, or make other improvements in governance that will strengthen your organization.

Element 2 – Fundraising & Financial Management

A nonprofit's mission can only be accomplished if the organization has the resources it needs and manages its money responsibly. The Sisters of Providence had a succinct way of putting this: "No margin, no mission."

Good fundraising starts with good financial management. The board and executive staff need robust financial information in order to make the best day-to-day decisions and the case for more resources. Be sure your financial staff understands the specific requirements of nonprofit **financial management**. Plus, those responsible for fundraising should have access to professional development opportunities through groups like the **Association of Fundraising Professionals**.

Element 3 – Communications & Relationships

What are you broadcasting to the world? How do others see your organization? A nonprofit with **effective communication** to its stakeholders and strong relationships with its board, staff members, clients, and donors will have stronger programs and more successful fundraising. Communication and marketing tools are changing every day, but the fundamentals of building and stewarding relationships remain the same. How is your organization telling its story, attracting new people to its cause, and building connections that strengthen your ties to your community?

Most organizations will benefit greatly from periodically having a pro bono or paid consultant come in to evaluate and advise the organization on their communications plan. All the knowledge we have



about our own organization often gets in the way of having a clear message. It is also worth noting that people are drawn to volunteer or contribute to an organization not because of what the organization needs, but because of the impact of the organization's work.

Element 4 – Planning, Technology, & Administration

Programs that make change happen in the world and in lives are built on more than good intentions and passion for the work. They can only work if they are supported by well-developed systems, processes, and tools. Check out all of the resources we have in our **Best Practices** section of the Resource Directory to help in this areas. And visit the **Technology Knowledge Center**.

An organization can only meet its mission if it is also focusing on its “administrative mission.” How effectively is your organization at planning ahead, leveraging technology, and putting in place administrative systems that support your work?

If there are areas that you need to focus on, select three priorities and carve out time over the next six months to develop a plan and begin to address them. Call on board members, volunteers with professional skills, or consultants to help guide you.

Element 5 – Management & Culture

A nonprofit with good management and a healthy organizational culture can better achieve its mission. In order to lead well, nonprofit leaders need to invest in themselves and in their staff. A positive organizational culture will bring resources and relationships to the organization. A negative culture will wipe out good intentions and handicap good programs. It has been said that “culture eats strategy for lunch.” It is better to attend to your organizational culture before it sabotages your strategy and mission. Discover more resources and advice about **Management and Leadership**.

Be sure to take advantage of opportunities to engage with others in the nonprofit sector. Conversations with peers can be informative and cathartic! It is helpful to get the perspective of someone who is familiar with the challenges you are facing. While every organization is unique, the problems nonprofits face are very similar regardless of the cause or size of the organization.

Bookmark our **Featured Training & Networking Events** calendar in order to stay abreast of the training and leadership development opportunities available to you. Also we encourage you to **sign up for our e-newsletter** to receive notices about our events and those of the service providers listed in our **Resource Directory**. If you are outside of Washington State, check with the **National Council of Nonprofits** for a nonprofit association in your state that provides trainings, resources, and services.

Additional Resources

501commons.org/services/overview

501commons.org/resources/tools-and-best-practices

501commons.org/resources/personalized-assistance



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