PN. ACB 267
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Appendix III-D: Training Materials

External Environment and Board Development
English language text

Final Report to
the United States Agency for International Development
of the Private Voluntary Organizations Initiatives for the Newly Independent States Project
World Learning Inc.
1992 - 1997

World Learning

The EXTERNAL ENVIRONMENT and BOARD DEVELOPMENT

Participant Resource Book

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Petrozavodsk, Karelia, 30 June - 3 July, 1996

World Learning

Board Development and the External Environment
Petrozavodsk, Karelia, June 30 - July 3, 1996

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World Learning

Section 1

Workshop Program

World Learning

External Environment and Board Development

Petrozavodsk, Karelia, June 30 - July 3, 1996

AGENDA

30 June, Sunday (Day 1)

Arrival from the train station to the hotel
12:00 - Excursion to Kizhi. Warm Up activities
18:00 Dinner

1 July, Monday (Day 2) Scott Charlesworth

10:00 - 11:15 Personal Vision Development

11:15 - 11:45 Introduction to Organizational Vision / Mission

11:45 - 12:00 Coffee break

12:00 - 12:30 Role and Benefits of Board of Directors

12:30 - 13:30 Board and Financial Management

13:30 - 14:30 Lunch

14:30 - 16:00 Clarifying Board and Staff Roles
- Case Study

16:00 - 16:30 Salient Board Member Characteristics

16:30 - 16:45 Coffee break

16:45 - 18:00 Board Member Selection
- Case Study

July 2, Tuesday (Day 3) Igor Donenko and Lena Alyoshina

9:30 - 11:00 Session 1
Understanding the External Environment. Brain storm, discussion.

11:00 - 11:30 Break

11:30 - 13:00 Session 2
Instrument: Analysis of the External Environment
Priorities Clarifying. (work in groups)

13:00 - 14:00 Lunch

14:00 - 15:30 Session 3
NGOs in the External Environment - NGOs view of the External Environment

15:30 - 16:00 - Break

16:00 - 17:30 Session 5
Important skills for leading negotiations

18:30 - Banquet

July 3, Wednesday (Day 4) Igor Donenko and Elena Alyoshina

9:30 - 11:00 - Session 1
Specific Information for Different (EE) Partners
- General Information Letter (w/examples)
Approaching (EE) Different Partners
- small groups

11:00 - 11:30 - Break

11:30 - 13:00 - Session 2
Partnership building

13:00 - 14:00 - Lunch

14:00 - 15:30 - Session 3
NGO's in the External Environment. Partnerships
- discussion and role play (four groups)
- Local Experts participation in role play

15:30 - 16:00 - Break

16:00 - 17:00 - Session 4
Press conference. Social partnership
Wrap Up, Evaluation and Closure

18:00 - Departure

World Learning

Section 2

List of Participants, Guests and Trainers

World Learning

Section 3

The External Environment:
Partnerships and Working with Business
External Relations
World Learning Fact Sheet
Organizational Profile Statement
Partnership
Stakeholders Analysis
Finding Common Interests
Working with Business and the Media

F. External Relations

In order to be effective, the organization has to manage relationships across its boundaries. This is an aspect of the necessary interaction between the organization and its ***environment*** to ensure that it is noting and responding appropriately to the social, political, ecological, economic and other forces and events around it.

It is also essential strategically for the organization to build up ***collaborative*** and ***support relationships***. These relationships are based on the NGO becoming known within pertinent communities and establishing an image and track record which reflect it and its achievements. The organization has to make itself known as widely as possible outside the range of its direct collaborators and present a competent ***public profile***. These relationships will enable it to strengthen and widen its impact through partnerships and collaboration with the ***government*** and ***other agencies and NGOs*** active in the same sectors and geographic areas. It also has to contribute to the maintenance of successful relationships with its ***donor*** network.

The NGO's primary relationship is with the community or constituency that it serves, whether as an ***advocate*** for or as a provider of services to or both, and with whom it must maintain a partnership if it is to serve its purpose as an organization. As described above this constituency needs to be involved in the planning and management of program activities. The NGO will be more effective if it is known to be physically and emotionally part of, and accessible to, this community or constituency. Especially if the constituency is a rural or isolated one, the NGO needs to be open and accessible to that community and situated within it.

The NGO will make contacts with and enhance its reputation with government agencies and officials. Not only will the NGO want to be integrating its activities with the regional or national plan for the sector but it will also want to be establishing working relationships with those government officials who will be making decisions about the NGO as well as the community/constituency it represents. The NGO community is another arena within which the NGO will aim to establish collaborative relationships in order to promote project and sectoral work coalitions and to participate in lobbying and advocacy ***networks***. Some of these collaborations might also take the form of contractual partnerships for the achievement of projects/programs.

In addition to its ability to work with its constituency or the local community to whom it is delivering services, with government bodies and with other NGOs, the organization must demonstrate its capacity to access local resources. The NGO must also demonstrate its autonomy and, particularly in relation to financial resources, its ability to be independent of single donors and to ultimately be self-sustaining.

Some of the information pertinent to the issue of external relations will be found in the responses to questions in other sections of this questionnaire. Additional questions to be asked in this section could include:

1.* To what extent is the NGO well known to the general public and to the particular sector in which it serves?

2* Does it have a clear image and materials that describe its approach and achievements?

3. What use does the NGO make of mass media resources to disseminate information about itself and its achievements?

4.* What is the state of the relationships between the NGO and its constituency/community?

5.* Is the NGO situated in reasonable proximity to the constituency it serves?

6.* What does the NGO do to gather information on the view points and needs of its community/ constituency?

7.* To what extent does the NGO know how to serve as an advocate for its community/ constituency?

8.* Does the NGO collaborate with other NGOs?

9. Does the NGO participate in lobbying processes?

10. Does the NGO establish national or international linkages with other NGOs?

11. Does the NGO attract interest for collaborative efforts with other sectors of the community, both private and public?

12.* Does the NGO participate in government planning processes and structures?

13.* What is the state of its relationships with relevant sections of the government?

14. How effective is the NGO in accessing local financial, human and other resources?

15.* What is the state of relationships between the NGO and its donors?

Fact Sheet

- School for International Training
- Citizen Exchange and Language Programs
- Projects in International Development and Training
- The U.S. Experiment in International Living

WORLD LEARNING
Founded in 1932 as
The U.S. Experiment in
International Living

HISTORY

World Learning was founded in 1932 as The U.S. Experiment in International Living, a pioneer in people-to-people exchange. It is one of the oldest private, nonprofit, international educational services organizations in the world, and the oldest institution of its kind in the United States. For more than sixty years, it has sustained its founding concept — *learning the culture and language of another country by living as a member of one of its families* — while it has also pioneered new initiatives in response to a changing world.

MISSION

The scope and diversity of World Learning's programs have grown well beyond the institution's original homestay exchanges, but its mission remains intact: ***to enable participants to develop the knowledge, skills, and attitudes needed to contribute effectively to international understanding and global development.***

SCOPE

Today, World Learning's broad range of international expertise is represented by its three operating divisions: its accredited college, the School for International Training; its traditional Citizen Exchange and Language Programs; and its private voluntary organization activities administered by Projects in International Development and Training. World Learning currently operates over 260 programs in 110 countries, providing direct program services to more than 265,000 participants.

World Learning's School for International Training was established in 1964 as an outgrowth of the institution's role in providing the original language training and teaching materials for the U.S. Peace Corps. Today, the School offers a bachelor's degree program in international studies, master's degree programs in intercultural management and the teaching of languages, and academic study abroad programs in more than thirty-five countries.

Citizen Exchange and Language Programs is World Learning's cornerstone division, operating the institution's Summer Abroad program which was pioneered in 1932. For sixty years, World Learning has been dedicated to a simple approach known as the homestay, the best cross-cultural learning laboratory. Families and individuals of all ages from all over the globe participate in World Learning's various exchange and language programs.

Building on its pioneering efforts in international educational exchange and training, World Learning applied its expertise to institutions and individuals working in development. Through the Projects in International Development and Training division established in 1977, World Learning has become a prominent private voluntary organization (PVO) dedicated to furthering world peace through economic and social development initiatives.

World Learning is one of more than twenty-five member organizations of the worldwide Federation of National Representations of The Experiment in International Living, which was incorporated in Switzerland in 1954. The Federation has held consultative status with the United Nations Educational, Scientific, and Cultural Organization since 1958, with the United Nations Economic and Social Council since 1978, and with the Council of Europe since 1981. The United Nations recognized the Federation in 1989 as a Peace Messenger organization. The Federation is composed of member organizations that are private, nonprofit, nonpolitical, and nondenominational.

STAFF

World Learning employs more than 1,600 staff, of which about twenty percent are dispersed among its headquarters in Brattleboro, Vermont, and its offices in San Francisco, California; Greenwich, Connecticut; Washington, D.C.; Jacksonville, Florida; Boston, Massachusetts; and London, England; and about eighty percent are dispersed among its field offices around the world.

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WORLD LEARNING
Founded in 1932 as
The U.S. Experiment in
International Living

SCHOOL FOR INTERNATIONAL TRAINING

- *Master of Arts in Teaching Program* - A graduate program that prepares language teachers committed to professional development and service in their field. Participants concentrate in French, Spanish, or English to Speakers of Other Languages.
- *Master's Program in Intercultural Management* - A graduate program that provides competency-based, professional-level training for intercultural managers. Participants concentrate in Sustainable Development, International Education, or Training and Human Resource Development.
- *Bachelor's Program in World Issues* - A two-year, upper-division bachelor's program offering a degree in international studies. Participants concentrate in at least one of these studies: Peace, Social and Economic Development, and Environment.
- *College Semester Abroad* - Over fifty study abroad programs in more than thirty-five countries in every part of the world for college and university students.

CITIZEN EXCHANGE AND LANGUAGE PROGRAMS

- *Summer Abroad* - Programs for high school students that offer homestays, travel, language training, ecological adventure, and community service in Africa, Asia, Australia, Europe, and Latin America.
- *Elderhostel™* - International homestay and education programs for participants age 60 years and older, offered in cooperation with Elderhostel, Inc.
- *Homestay/USA* - A homestay program that welcomes international participants, age 13 to over 80, into U.S. homes for several days, weeks, or months.
- *International High School Program* - A traditional academic exchange program for 15- to 18-year-old students from around the world to live with host families and attend high schools in the USA. A similar reciprocal program for U.S. high school students is offered in several European and Latin American countries.
- *AuPair Homestay* - A yearlong cultural exchange program that offers a practical solution to child care for U.S. families and a cost-effective way to work and study in the United States for European *au pairs*. A similar reciprocal program is offered for U.S. *au pairs* to live with host families in several European countries.
- *International Students of English* - An intensive English language training program for college-age and older students, featuring small, four-week classes on U.S. campuses.
- *Executive English Programs* - Intensive language and cross-cultural training for business and professional clients, tailored to the global marketplace and custom-designed to meet the needs of the individual, small group, or entire company.

PROJECTS IN INTERNATIONAL DEVELOPMENT AND TRAINING

- *Development Management* - Projects that strengthen local institutional capacities, primarily in the nongovernmental sector. These projects focus on democratic governance, participatory natural resources management, AIDS education and prevention, nongovernmental organization (NGO) legal and social enabling environments, voluntary sector social services, NGO strategic planning and management, and health and population. PIDT also provides a full range of grant award and management services to NGOs, private voluntary organizations, and educational institutions.
- *Human Resources Development* - Projects that develop individual capacities. Activities include needs assessment, training design, curriculum and materials development, job skills training, NGO leadership training, degree and nondegree participant training, nonformal education, teacher/trainer training, and English as a Second Language.

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It is the policy of World Learning to provide, in an affirmative way, equal employment and educational opportunities for all persons regardless of race, color, religion, gender, sexual orientation, national or ethnic origin, age, disability or handicap, or veteran's status.

95.150-09

World Learning
Board Development and the External Environment
Bakuriani, Geogia, 12-16 March, 1996
Organizational Profile Statement

Dear participants,

Keeping in mind the intensive nature of the up-coming training, we ask you to complete this work assignment before the beginning of the seminar. We believe it will focus your thoughts toward the training and various important items to be discussed over the three days.

Please answer the following open questions focusing on your organization:

Mission:

Goal(s):

Activities:

History:

World Learning
Workshop

External Environment. Partnership

Trainer: Igor Donenko

1. Your non-government organization (NGO) and information

What is your organization?

For a lawyer, you are an actor in legal framework, a legal entity that acts pursuant to certain laws and holds a certain responsibility.

For an economist, you are a cost non-profit that obtains its revenues from gifts, grants, etc., that has a certain turnover and provides certain services.

For a journalist view, you are a non-standard phenomenon, a group of enthusiasts who try to solve social, not personal, problems.

For a businessman, you are an organization in permanent need of money.

For a government official, you are a strange organization that works in the same area as government authorities.

The list of views, approaches, and assessments could be extended indefinitely, depending on whether the assessment is positive or negative, on a person's education, available information, job, personal experience, etc.

You will never write a general newsletter about your organization if you try to summarize every possible view or approach. On the other hand, a newsletter is necessary, and it must contain useful information for the reader.

It is important to follow a few recommendations when you have to sieve various information about your organization and select things that could be useful for the introductory letter.

1) select specific information only, i.e. facts, figures, abstracts from the charter, by-laws and reports, etc.;

2) make a special point that you are a non-government non-profit organization, and indicate the area of your activities;

3) remember that you are writing a newsletter about your organization, not about the people you are working with; therefore, your newsletter should contain as many characteristics of your organization as possible.

Unfortunately, many leaders focus most of their time and efforts on the day-to-day work on the social problem (their key charter activity), while the support activities remain outside their attention. The support activities include:

- fund-raising (money, volunteer work, equipment, free goods or services, information) of one or several kinds;
- public opinion making, development of the organizational authority and prestige, propaganda of mercy and social responsibility;
- organization and management of the NGO's work process;
- organizational development, planning, and expansion of activities.

Besides, too little attention is given to the structural development of an NGO, i.e., the basis of its whole activity. New organizations would typically have a very simple structure: General Meeting, the Board, Chair or President (Executive Director), accountant, and 2 or 3 staff members. As the magnitude of the organizational activity expands, the staff grows, and various units, branches, or offices are developed.

The development requires a more complicated structure, and this is specific targeted work. Unfortunately, we are much more accustomed to haphazard activities; we work with sponsors, hire staff (doctors, psychologists, trainers, etc.), meet the media, look for equipment and ways of earning money, and we it all at the same time. As a result, we are constantly pressed for time, we accumulate assignments that are begun and left half-way, negotiations are unfinished, payments are delayed, documents are badly drawn, and we are lost in the daily routine. If an organization lacks tight viable structural elements that allow the staff to act "automatically" and autonomously within their competence and responsibilities, its effectiveness starts declining.

Each support activity mentioned above, as well as each main activity, should be based on a certain structure. Therefore, the organization's staff is divided into administrative and program employees. With regard to this, staff job descriptions and volunteer assignments are written, and a specific recruitment policy and employee development are maintained.

Certain information accumulates in the course of each activity, e.g., description of methods, reference information, statistical data on work with clients, financial statements, press cuttings, reports on the outcome of negotiations and partnership with other NGOs. While writing a newsletter, it is necessary to be precise in selecting general, yet characteristic, information.

A non-government organization paints its own portrait. People have the right not to know about your organization and activities.

One often has to face a situation when an organization operating for a few years has formed a habit of using information materials prepared some time ago, and sending out newsletters without due concern as to Who this information passed on to, and Why it goes out. This approach is certainly simple and has other positive aspects, but it is important to take care about updating and generally adjusting your out-going information regularly (at least once a year).

Several reasons require this:

- current and short-term organizational objectives are made more specific and adjusted (e.g., "prevention of impact of adverse negative outcome of the social and economic instability on mentally disbalanced individuals and their families..." <u>at the start,</u> and "social aid and rehabilitation programs for mentally disbalanced and their families" <u>now</u>);

- targeted organizational activities are better reflected in a program and various projects, i.e., they start to be based on specific approaches (principles) and structures (e.g., working groups, units or branches);

- definite results and achievements appear, and they are useful for the newsletter.

It is not necessary to argue today that public relations is an essential component in any NGO's daily activities. However, very few organizations formulate special objectives in this area and achieve good results.

Question: What is your organization's image with those who do not work in it on the permanent basis? What is your image with other NGOs, your sponsors, government authorities? The answer to these questions is very important.

It is essential to constantly focus on your organization's image, and to ensure that positive information would be disseminated in your external environment. Sending out newsletters and additional information materials is among the best way to do this.

Organizational newsletter provides general information and forms a general image of an NGO.

The newsletter structure is commonly known, and I would like to add just a few details and comments.

- *Name* of the organization and title of its key program (if you are a unit or office, name the main branch and its headquarters).
- *History* (the organization's status, place of registration, founders, history of development, your partners, etc.).
- *Purpose and objectives* (the public problem your organization is addressing, the acuteness of this problem, and ways and means to solve it - briefly).
- *Scope of activity* (the number of programs and projects, number of people involved in them, the serviced area, number of regional units/branches, etc.).
- *Structure and staff* (the governing body, staff and its qualification, units and their tasks, number of their volunteers and their participation, the key principle to guide your employees).
- *Programs* (a brief summary and results, specifics of each program as opposed to others, the number of people involved and served by the programs, projections for development).
- *Address*, phone numbers, people to be contacted (it is not recommended to give the bank account numbers).

It's important! Try to provide the most necessary information about yourself; avoid generalizations and commonplace slogans, but express your unique spirit; show that your work is effective, programs are targeted, and approach in addressing the social problem is competent.

Your NGO development: strategies and policies. Your potential as expressed in the newsletter.

A success-driven organization should see at least a year ahead. It is advisable to see future in its quantitative aspects, i.e., the number of people or organizations you serve, the funds you raise to secure your operations, the number of actions or events you hold, the scope of your activities, etc.

Unfortunately, many leaders of NGOs that have evolved to the second phase of their development still keep the habit of "stretching their hand out for alms"; and are uncertain in communicating with their partner. This uncertainty and "looking upwards" prevents both partners from being comfortable and holding business negotiations. One should remind oneself about the following:

1) you are not asking a favor for yourself but come to represent a respected organization that has an interesting proposal (it should be truly interesting for your potential partner);

2) you should have a general idea about your would-be collaboration with the potential partner (what you should do, and what you expect of him/her);

3) the potential partner should certainly form a good impression of your organization; he or she must be assured that you can do what you are talking about;

4) it is necessary that the person whose support you seek should know about you and the subject of the meeting before you meet.

While talking about the future of your organization, I realize it is a fairly hard task to define it quantitatively, and life will keep adjusting your projections. However, it is very useful to do this if you are seeking for a long-term collaboration. Thus, if you go to meet a sponsor not about one gift but regular contribution, you will certainly have to tell him what should be the outcome of your collaboration, how the results may influence the situation today, and who else the results are important for.

Comparative characteristics go a long way to show your organizational potential in a newsletter. For example, describe your organization two years ago, one year ago, today, one year from now. The criterion to compare different periods could be chosen on your own discretion; you can include the number of people served by your organization, or program funds, or number of actions held each year, or the circulation of your publications, etc.

II. The idea of NGO's external environment. Actors (types and scopes) and processes (specifics and speed)

Let us try to change a traditional approach to what is happening outside your organization. We are used to looking at the outside world from the inside of our organization. However, NGO leader's mentally, actions and general outlook would usually differ from those of the people working in other sectors and in organizations of a different type.

NGO leaders in Russia have some typical delusions that are especially pronounced at the initial stages of the organizational activity. These include the following: "we are a charity organization that addresses social problems; therefore, everybody must help us;" "we are

good kind people; therefore, the organization should operate well;" "we are doing good things, and it should be evaluated later, by other people."

At a later stage, when experience and success accumulate, these delusions are replaced by more adequate principles that go a long way to facilitate work and improve the organization's overall efficiency. These include: "we are an independent organization, and the results of our work should attract potential partners;" "we are qualified professionals; therefore, the organization must work well;" "we must be open for control and have precise criteria for the results; then others will believe we are serving a good cause."

A more precise definition of the organizational potential and ambitions facilitates an NGO's daily activity significantly. At the first session of the workshop, we "looked at the organization from the inside" and discussed its potential. Now, let us focus on our expectations of the external environment. It is pleasant, of course, to be invited to a ministry of city government, to meet a well-known international organization of high standing, or take part in a prestigious event; yet, if this is followed by a feeling that you can work together and be partners from now on, this feeling needs to be tested.

The following comparative criteria can be used for initial orientation and precise projections of the organizational development:

a) the scope of your organization and your partner;
b) priorities of your and your partner's programs;
c) how long priorities are maintained;
d) your and your partner's potential of meeting commitments;
e) qualified staff and the time available for implementation of the partnership.

It is important to understand that the type of the partner and the scope of his organization and activities are factors to determine the quality of your collaboration.

NGO external environment is very dynamic. Even in the third sector alone, many processes develop simultaneously. New organizations emerge, new projects are introduced, new grant-makers come to Russia, approaches to foreign aid and foreign NGOs' activities in Russia change, operating organizations split or live through a period of internal conflicts, rental payments and utilities companies' fees keep changing, the "sponsor market" situation evolves, seasonal fluctuations of business activity are reported, etc.

Many third sector processes are related to the development of new laws on NGOs. The most recent example is the requirement to have all NGOs re-registered within three months, pursuant to the new law *On Public Associations.*

One should be aware of the fact that businesses, government authorities and the media are also operating in their own internal environments guided by their own laws. Very often a flow in relations happens not so much because you do not suit one another but because you started a relationship in the wrong time.

Example. AB commercial bank agreed, tentatively, to support your organization, but kept putting the final decision off. You needed the money badly. You found it at some other place, and you never gave another call to the bank. Later, you found out that the bank put off its decision because you applied at the end of the report period or at the dividend time, and the bank was jut too busy to take care of you.

Another example. It is common knowledge that election campaign dampens the interest of sponsors, media, and government officials towards charity organizations. You should put much more time and effort in getting the same results as in the "normal" times.

Moreover, any business activity reports fluctuations related to holidays, seasonal factors, nation-wide events, such as disasters, ethnic conflicts, emergencies, as well as amendments in laws regulating your partners' activity. These and other processes in the NGO external environment should be taken into account while planning a long-term collaboration with partners.

III. Partnership and interested partners (an analytical survey)

Who operates in the NGO external environment? Who does your NGO need for successful work? The social partnership philosophy: why do you need partners? Why do partners need you?

Your clients who receive your organization's services certainly make an important support to the NGO. How often do you use their help?

Your clients' families and friends are your organization's friends. Do they know your organization well? How do you involve them in cooperation?

Community social safety net offices (or, education, health care, etc., depending on your area) are your colleagues. Do they have information about you? Do they know who they should direct to you and on what issues?

Community executive authorities (municipalities, prefectures, district administration) are in charge of the given community. Do they understand that you are useful to the community and are working for its benefit?

Community businesses (small and medium-sized) are your main sponsors. Do they realize the difference between an alms to a street beggar and a gift to your organization? How much of your attention do you pay to working with them and keeping them informed?

Community and city press (and other media) is your voice. Does your organizational life have many interesting events and actions interesting for the media? Do you have the materials their reader would take interest in?

City social safety net offices, etc.

You can gain support from the users of your services while applying to the local government and government authorities. They are the best "admen" because they speak on what they know.

Their friends are your potential volunteers and useful information carriers. Moreover, they are your protectors and defenders in non-criminal conflicts.

Specialists in your area, employed with government authorities. They are your staff reserve and a source of statistical information; you can direct those you cannot help to these people.

Local government have certain resources in the given community. You can involve these resources (office space, taxes to the local budget, technical services, etc.) to develop your organization.

Businesses lead a difficult life. On the one hand, they suffer from tax burden, on the other hand, they have to deal with the criminal environment and racketeering. Money for a cause is allocated either from the legal profit, or from the businesses' own pocket; therefore, it is easier for a businessman to make a decision when he sees where his money goes to.

The press is different, and the publications are not always precise and tactful; yet, they are news-hunters, and this can be used for your organization's benefit.

City governments have social programs but they develop and implement them in the quietness of their offices. Yet, interest towards the social programs is typically higher at the city level rather than at the community level. Therefore, participation in a city program facilitates getting resources from the community.

A non-profit's effectiveness is judged by a few standards:

1. The number of people who benefit or get help from your organization.
2. The degree of alleviating these people's problem.
3. The number of people and organizations that want YOUR organization to deal with this particular problem.

We are discussing just the third criterion and the ways to improve an NGO's effectiveness through a successful work with the interested organizations.

Let us go back to the idea of *NGO's external environment.* The social problem which your organization started to deal with has existed before you were founded - or probably, it provoked your emergence. Other organizations interested in the solution of this problem exist and reach their objectives independently of yourself. They can certainly become your partners, but you have to work with them.

Your organization's real and potential partners. A study of interested parties

Let us talk about "turning" your potential partners into real ones.

What can be recognized as elements of real partnership?

- a verbal agreement on the joint activity;
- a signed protocol or agreement;
- joint actions and events held in collaboration;
- jointly implemented projects or programs;
- involvement another organization's staff member in the work of your organization;
- a joint body (committee, council, working group), with the interested parties' contribution;
- a new organization and delegation of certain functions and authority to it.

For you, the collaboration initiator, the development of a real partnership includes several stages (phases):

I. A study of interested parties. Selection and proposal.
II. Development and agreement on collaboration mechanisms.
III. Formulation of collaboration and partnership.
IV. Joint activities and monitoring of the results.

I would now give examples of how difficult and effort-consuming the process of "turning" is.

1. MSI joint venture, registered in a directory, received a letter from a charity organization requesting to support the Mercy Kitchen program. In response to this letter, MSI was committed to provide a monthly gift of Rub 200,000, and credited the first gift to the charity's bank account. The charity sent a thank-you letter and used the money appropriately. It then provided regular quarterly reports on the use of MSI's other monthly gifts, informed the press about the sponsor support to the program, and published its annual report in the press. Once a year, the joint venture receives an invitation to a party or presentation, or get a small present made by a disabled persons who benefits from the charity.

2. AB commercial bank known for its charity activity receives a letter from a charity organization that describes the program for which it requests support. A meeting is arranged, and the program is discussed. After the partners' potential and approaches are settled, a partnership mechanism is defined; the charity sends the bank bills for covering the disabled kitchen expenses, and lists of the disabled served by the kitchen, while the bank credits money directly to the soup kitchen account, not to the charity. Likewise, the bank receives regular financial reports, invitations to presentations, and thank-you letters and certificate.

In the first case, the study was practically non-existent, the choice was made at random, and the proposal was made in a standard way (I). No partnership mechanism (II) was required because the settlement was already in place, and reports were sent regularly. The formulation of partnership (III) was limited to an exchange of written statements on commitments. The joint activity and control (IV) took the simplest form.

In the second case, a study and information gathering about the bank's charity activities was made (I). Moreover, the partnership mechanism was to be developed - i.e., request bills from the soup kitchen, draw coupons (each for one free meal), make copies of the soup kitchen's clients for the bank (II). The formulation of the partnership took the form of the bank's Board decision to include the charity in he list of the bank's permanent partners (III). In addition to the above actions, control and accounting included the need to produce tax inspection office's certificates (IV) and constituent documents.

Every NGO now has a certain range of partners. New partners of the type described in Case I can appear, but this may happen occasionally. Moreover, relations and mechanisms remain simple because the gifts are small. One should not believe this will remain indefinitely. At the same time, the Case II sponsor was chosen specially, and the arguments were very thorough. It took a whole year of occasional gifts and reports before the sponsor decided to become a permanent partner.

It is worth mentioning that preliminary work with a potential partner and developing him into a real one needs money and sufficiently qualified staff.

What is the outcome of this collaboration? The solution of a simple problem of everyday meals for 100 disables individuals. Every organization that has been operating longer than a

year would realize that the chance of finding a partner is slim. Therefore, this work should be planned in advance, and done in the professional and persistent way.

Individuals, groups, organizations and institutions that suffer from the adverse impact of the unfavorable (e.g., social) environment

External environment where a social problem exists and NGOs operate is unfavorable and uncomfortable. Remember who lives in this environment.

1. People suffering from social problems. They make life difficult for their families and friends, add workload to specialists in medical and other institutions, come to the local government offices, go shopping, write letters to newspapers, create an atmosphere of social tension and discomfort, join demonstrations or escape active working and social life.

2. Families and friends of those named in Item 1. They spend a lot of time and effort to support these people and deal with their problems. Besides, they also add work to special government institutions, address local governments, etc. (see above). Moreover, sometimes they set up NGOs themselves, and try to solve their problems through uniting in an organization.

3. Specialists and government institutions of health care, social and other profile have to use budgetary financing, develop services to the population, and report to their superiors. They must coordinate their activity with the community governments, work with the community, and participate in the implementation of city or national programs.

4. Local governments have to respond somehow to the existing social program and try to solve it at least to save themselves. In addition, they must develop local infrastructure and secure business, social and political activity of the community. Low effectiveness, lack of responsibility and embezzlement create many problems for them.

5. Business sector suffers from the shortage of qualified employees (items 1 and 2), as well as from the weak local governments and law enforcement authorities. The government monopoly on property and means of production, officials' corruption, low effectiveness of business support programs and other factors make life all the more difficult for them.

6. Press has involuntarily focused mostly on political life, or on serving the businesses, and lost coverage of the social sphere. At the same time, one can often hear, "it is enough of bad news, write about something good." Furthermore, subscription and popularity help the press to keep its independence and good salaries.

7. The city authorities want the people's respect and support. They are trying to carry out various socially-oriented support and development programs, but these are often costly and ineffective, they lack people to implement them, and there is little knowledge and experience to lean on NGO support and act together.

Interested parties' problems: specific and development problems.

1. *Specific problems* are related to implementation of the chartered goals and objectives of this particular organization. In an NGO, these could include the problems of providing adequate aid to its clients, or problems of implementing a targeted program. In a business, they could include production and sale problems, improvement of the quality of goods and

services, getting new clients, competition, etc. For press and other media, the problems include reliable information of a certain kind (operational, analytical, etc.) and a precise choice of the readership. In government institutions, the problem is to reach certain pre-established norms in the work with the population, insufficient work load (e.g., medical institutions) or excessive work load (local social security offices).

As problems are specific, collaboration and partnership would be most productive between organizations of the same type and area, such NGO and NGO, business and business, media and media, e.g., Confidence Phone Association, a financial group or industrial corporation, Kommersant Publishing House.

Partnership 1 is more effective for dealing with specific problems

2. Non-specific problems are related to the organization's wish to survive and develop despite the unfavorable external environment. These problems are typically linked to the need to protect and lobby the organization's rights and activities (e.g., the Guild of Realtors), or develop and accumulate additional resources (funds, office space), recruit and hire qualified specialists (e.g., Business College, Training Center for Bank Security), the need to carry out intensive educational or advertising activity (e.g., the Social Information Agency, Znak [Sign] Advertising Agency).

Non-specific problems make it possible for organizations of different types and areas to find common ground and interests. In this case, collaboration and joint activity allow to find more effective ways and means of dealing with common problems, including the social ones.

Partnership 2 is for survival and development. Policies and strategies of Partnership 2. Goals: to expand public influence, develop resources, improve effectiveness of the work.

IV. NGO collaboration with various partners (training)

Defining the tasks of working with partners 1 and 2. To understand a partner, one should step in his shoes. Offer something that would interest the partner.

Partnership 2:

- working with the media and expanding public influence;
- working with sponsors and resource development;
- working with successful NGOs and improvement of effectiveness.

Information sharing and communication with partners.

V. Targeted address and partnership practices (training).

Adequacy in contacts with different type partners (introductory information).
What in your organizational structure and activity could promote effective work with the partners? (independent work and discussion).

written by Igor Donenko of the Human Soul Foundation for World Learning Inc. seminar, External Environment

Forecasts of external environment processes and plan of the work with partners (general discussion in the group)

Non-specific problems are rooted in inadequacy.

Effectiveness of working with partners: who can appraise it? The Board of Directors as a body that secures your organizational development (general discussion in the group).

WORKSHEET

Stakeholder Analysis

KEY STAKEHOLDERS	PROBLEMS	INTERESTS	POTENTIAL LINKAGES

Stakeholder Analysis

Identify all parties involved:

- Write down all persons, groups and institutions affected by the problem environment.
- Categorize them, e.g., interest groups, individuals, organizations, authorities, etc...
- Discuss whose interests and views are to be given priority when analyzing the problems.
- Specify gender.

Stakeholder Analysis

Take a closer look at some of the groups.

↓

Select the most important groups.

↓

Make a more detailed analysis of these groups, e.g. in terms of:

Problems: The main problems affecting or facing the group (economic, ecological, cultural, etc.).

Interests: The main needs and interests as seen from that group.

Potential: The strengths and weaknesses of the group.

Linkages: Main conflicts of interests, patterns of cooperation or dependency with other groups.

Moscow's helpless are out in the cold

Charities collide with cynicism

By Julia Rubin
ASSOCIATED PRESS

MOSCOW — Charity begins at home — in Igor Donenko's case, in a cramped, unmarked apartment on the far edge of industrial east Moscow.

There, treating and training the mentally ill, Mr. Donenko has built his Human Soul Foundation into one of Russia's most successful charities.

He did it mainly by tirelessly appealing to the country's new business elite rather than average Russians. Philanthropy is nothing new in Russia, but organized charities are.

"Russians still expect the state to take care of social problems," said Mr. Donenko, 36, a psychiatrist who wears jeans and a denim jacket in Human Soul's chilly five-room apartment. "We're learning from Western charities, but . . . we have to adapt to the Russian situation."

That means legal chaos, bureaucratic indifference, public suspicion.

Thousands of tiny charities have sprung up since the collapse of the Soviet Union unraveled the extensive state social-service network, but few have thrived without foreign help.

Russians who give generously to friends and family, or dig for pocket change for a beggar, may stare blankly — or scowl — when asked about charities.

"They're fakes to take people's money," said Pyotr Fomin, a gypsy-cab driver who stopped to give money to a begging child. "I'll help people, but why should I give my money to who knows where?"

Katya Greshnova, who matches Russian and American charities for the World Learning project sponsored by the U.S. Agency for International Development, said: "All charity roots were lost during those 70 years [of communism], although attitudes are changing."

Communism not only outlawed private and church charities, it left psychological scars that hamper charities now.

There is deep cynicism about business, made worse by recent scams aimed at evading taxes through fake charities. There is skepticism about public "volunteer" work, which in the old days was obligatory.

"A lot of my acquaintances say, 'Why should these [mentally ill] people get job training — how about me?'" said Olga Zayarnaya, a psychologist who founded Human Soul with Mr. Donenko in 1986.

The Soviet collapse also left a legal mess. While a draft law on charities and lobbying meanders through parliament, many phony charities have been able to register. That discourages giving.

And tax laws do little to encourage donations.

There is no charitable — or any other — tradition for Russian business, but some have begun giving.

"There is money in Russia," said Mr. Donenko, who heads a new club for charity directors. "We just had to find a common language with business."

Last year, Human Soul's budget grew to about $90,000 — 99 percent of it from commercial donors, like banks, a textile company and a commodities exchange. Only 1 percent came from individuals.

The charity's projected budget for this year is about $300,000, which includes part of Human Soul's first foreign grant — $400,000 from the U.S. government spread over two years.

While Mr. Donenko provides annual budget reports to corporate sponsors, Mrs. Greshnova of World Learning says many Russian charities that come to her for help do not know what their budget is. Few know anything about raising funds.

Publicity is another problem. Mr. Donenko says Russian journalists who have written about his charity demanded money to print the names of his sponsors, saying mentioning them was advertising.

Many Russian charities try starting commercial operations like manufacturing or distribution companies in an attempt to support themselves. Mr. Donenko says he treated private psychiatric patients, using the fees to finance Human Soul, but quit that in 1991.

At Human Soul, about a dozen people — most diagnosed with schizophrenia or manic-depression — were in the office one recent day doing clerical work, studying English, fixing lunch. It treats about three dozen people at any one time.

"The idea here is rehabilitation for everyone, which is very strange under the Soviet model," said Denis, a 24-year-old schizophrenic who first saw a flier for Human Soul in his doctor's office. He visits a few times a week to learn computer skills and English.

"I had no friends or work," said Denis, a poet and aspiring journalist. "This foundation is really helping. I had too much spare time."

AP

an woman begs for money al an underground walkway in . There are few organized charities to help the needy.

Washington Times 5/16/95 4-12

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World Learning

Section 4

Board Development:
Governance
A Basic Look at Board of Directors
Responsibilities of NGO Boards
Concrete Samples
Board Passages: Three Key Stages
Governance is Governance
Budgeting and Financial Accountability
The Financial Responsibilities of Nonprofit Boards

A. Governance

NGO ***governance*** is the provision of legitimacy, leadership and direction to an organization. Legitimacy is conferred by the adherence of a sufficient body of people so that the NGO gets the continuing encouragement and support it needs to achieve its purpose. Leadership, which articulates and maintains the direction of an NGO, consists of management and a Board or equivalent governing body. Management is responsible for the day-to-day operation of the organization and for monitoring the external environment to sense changes that are occurring. The Board or an equivalent governing body serves to provide overall policy direction to the NGO and independent oversight of its management. It customarily performs fund-raising and public relations functions and can bring additional professional and technical expertise to the NGO by inviting legal, financial, marketing and other technical specialists to become members. In addition to providing overall policy direction the Board ensures that effective organizational planning takes place and monitors the functioning of the organization in relation to that plan or the policy direction it has set. Leadership is also responsible, through the management arm, for monitoring the status of the components or functional areas of the organization and ensuring the necessary action is taken to maintain them in the preferred state to achieve the mission and strategic plan of the NGO. In addition to having the skills necessary to monitor and direct the organization, management ideally will share the values that are the foundation of the organization's vision of its future.

Direction is primarily provided to an effective and potentially sustainable NGO through a clear and mutually shared understanding of its objectives and why it exists. This understanding can consist of such factors as:

- A ***vision*** of the future which the NGO is attempting to create or effect;
- Definition of the purposes or ***mission*** to which the NGO is committed and which will be the means whereby it realizes the vision;
- ***Strategies*** for achieving the mission which are in alignment with the mission and take the form of a set of realistic and clear ***program objectives***.

NGOs in particular have often been founded by a (few) charismatic individual(s) with a strong commitment to a cause or purpose and a definite set of ideas about how to serve that cause. While this strength and commitment is essential for establishment and survival of the NGO, the other staff and constituents of the NGO also need to share the understanding of, and commitment to, the purpose of the organization in order to effectively serve it and complement the work of the founder(s). Leadership is more effective if it is open to as wide a variety of opinions and talents as possible in order to be effective and utilize all the talents and enthusiasm of its staff and members, as well as to avoid insularity and stagnation. The role of effective leadership is to manage the attention of employees by articulating a set of intentions or a clear vision of the outcome, goal or direction of the NGO and by making

these ideas tangible or meaningful to employees so that they can support them and design their work to achieve them. Leaders are also more effective if they are focused, constant and consistent, so that they will be trusted and followed.

Above all leadership fosters the involvement and participation of the NGO membership and the community or constituents who are the people the NGO exists to serve. There has to be a number of people who hold the institution's product in sufficiently high regard that they are willing to continue to exchange other resources for that product. Whether an NGO is a membership or service organization, truly sustainable organizations that serve the needs of a community or constituency promote this willingness by incorporating approaches that NGO members and constituents themselves can plan, manage and control, or that meet their needs in ways they can understand and access most effectively. This constituency is involved in determining the objectives and policies of the NGO and in carrying them out. Developmentally this participation is the best method for ensuring the success and sustainability of the NGO and its program.

Questions that can be posed or information that is required about governance are as follows:

1.* What is the stated purpose or mission of the NGO's?

2. How was the need identified that is being served by this purpose?

3.* To what extent does the purpose of the NGO reflect the real needs of the community/ constituency that it serves?

4.* Who are the Board of Directors, or the individuals who make up the governing body?

5.* Are they internal or external to the NGO?

6.* What is their level of involvement in policy setting and planning, fund-raising and conducting public relations for the NGO?

7. If there is no Board of Directors or similar governing body what independent body or mechanism oversees the management of the NGO?

8. How representative of the community/constituency is the Board membership or governing body and how does it integrate their contribution to the policy setting/ planning process?

9.* What person or group constitutes top management?

10.* What understanding does top management have of its role and responsibilities?

11.* What skills and knowledge, necessary for the performance of its duties and responsibilities, does top management lack? List the needs of each member of top management separately.

12.* To what extent do the people in the organization share the same understanding of the purposes of the NGO?

13. To what extent do the people in the organization see it serving, in major ways, purposes that are different from those stated?

14. Is the purpose realizable given the economic, social, and political environment?

15. Do the strategies and program objectives of the NGO support the mission?

16. How does top management involve staff in setting direction for the NGO and determining policies and procedures?

A BASIC LOOK AT BOARDS OF DIRECTORS: WHAT THEY DO, HOW TO STRENGTHEN THEM, AND THE RELATIONSHIP BETWEEN BOARD AND STAFF

Scott Charlesworth

Introduction

In the most basic of terms, boards of directors serve two principle purposes. The first is to hold the legal responsibility and final authority/liability for the organization which they represent. While not true in all societies, this is certainly the case in the United States where laws are such as to ensure that the ultimate legal and financial responsibility of a private not-for-profit remain with representatives of the community, in this case the board, rather than with paid employees.

The second principle purpose is to serve the interests of the organization before the community so as to enable the successful achievement of the organizations goals and priorities. This is accomplished through a variety of activities including active participation in the organization's goal setting process, selection of a qualified chief executive officer, mobilizing community resources to strengthen the organization and its programs, and publicly representing the organization in such a way as to exemply the most positive aspects or values of the organization.

The purpose of this guide is clarify basic concepts about boards of directors with a particular focus on the development or strengthening of the board. This information is directed toward individuals who are involved with developing or strengthening new non-governmental organizations (NGOs), particularly in areas of the world where the legal framework may vary significantly from the American model -- in this case, the republics of the former Soviet Union. As such, it is the second principle purpose stated above (how boards can enable the successful achievement of an organizations goals and priorities) which is most important to keep in mind when considering the information that follows.

It is my belief that there is <u>not</u> just one organizational model that should be applied to all cases of NGO development and management (regardless of the social and political context), but rather there do exist various "positive practices" from outside models that can be adapted for constructive use in a given local situation. It should also be noted, however, that some "positive practices" mentioned in this guide are often already taking place locally, formally or informally. These practices should continue to be encouraged.

In conclusion, the development of boards of directors which are capable of working effectively with an organization's staff, volunteers and the community at large, can go a long way toward enhancing an organization's future success -- wherever the organization may operate.

Source: The majority of the information that follows has been adapted from: "Successful Board Leadership: The manual of proven practices", YMCA of Metropolitan Los Angeles, 1984.

1. Definitions

Below are definitions of some key terms related the work of boards of directors and non-profit organizations in the United States.(1)

Board of Directors : The active and responsible governing body, serving without compensation, holding regular meetings and with effective control. The chief volunteer group of a nonprofit organization (PVO or NGO). The final authority.

Board of Managers: Similar to the Board of Directors, but without final organizational authority. The volunteer governing body of a unit within the organization

Advisory Board: A small group of highly respected men and women who are considered key opinion makers and influential citizens of the community.

Committee: A group of volunteers, duly appointed, to perform a specific task within a given area.

Chair or President: The chief volunteer of the board of directors, the elected or appointed leader.

Executive Director or Chief Executive Officer: The chief staff person of the organization. The chief staff person reports directly to the chief volunteer (Chair or President) of the Board of Directors.

Volunteer: A person who gives time, skills and energy to a social cause or activity without financial compensation.

Staff: Paid (in most cases, but not all) individuals responsible and accountable for carrying out the policies and programs of an organization.

Policy: The legislative action of a board or committee operating within the authority granted by the organizational charter and by-laws. Policy is decided only by volunteers (board and committee members), not by staff.

PVOs and NGOs: Private Voluntary Organizations and Non-governmental Organizations. While they have some differences, both are non-government and non-commercial organizations, developed for specific purposes (e.g. education, culture, social welfare)

Community: For the sake of this discussion, community refers to the service area where an NGO or PVO operates or a specific population within a larger area (e.g.children with disabilities).

2. What are the principle benefits of the Board of Directors?

Excluding the legal requirements of a PVO or NGO, the existence of an effective Board of Directors offers a number of benefits to an organization. Some of these include:

- Provides member participation and influence
- Assures public acceptance and confidence through the community's respect of the individual board members

- Assures effective management and sufficient resources to achieve the organization's goals. Board members are a direct link to the community, and the various sectors which make up the community

- To give continuity to the work, regardless of changes in staffing, and assures the purpose is implemented and achieved

- Brings new ideas, a critical perspective, and skills to an organization

- In seeking international funding support, the existence of a functioning Board of Directors is often a requirement for soliciting such funds (2)

3. What are the principle functions of a Board of Directors?

In general terms, the Board of Directors has three principle roles: 1) Planning and policy decisions; 2) Financial development and; 3) Monitoring the implementation of policy and planning decisions to insure the achievement of established goals. Below are some more specific functions:

- Develop and approve long-range plans

- Formulate and adopt policies and procedures

- Hire and/or dismiss the executive director (American model)

- Develop financial resources

- Adopt and monitor and organization's operating budget and fiscal procedures

- Monitor the goals and objectives as adopted in the planning process

- Form linkages or "social partnerships" with other community organizations, government, and business

- Represent and interpret the organization to the community (3)

4. Some characteristics of an effective Board of Directors

- Has appropriate leadership and has confidence in that leadership

- Has a clear and shared image of its goals and a commitment to them

- Has sufficient members to carry out the essential tasks

- Gives evidence of concern for the well being of its members, staff, program participants and the community it serves

- Operates on a time schedule

- Evaluates results and processes periodically (4)

5) Important personal qualities for prospective board members

- Enthusiasm about their organization and commitment to its purpose
- Interest in people, their problems and potentials
- Demonstrated interest in community service
- Willingness to give time, effort and resources to the work of the organization
- Ability to command community respect and confidence
- Special skills, knowledge and expertise that are needed by the organization
- Ability to represent the community (or relevant segments) and interpret community needs and views
- Ability to assess information and make important decisions
- Courage to state one's views on important issues
- Willingness to accept and support decisions democratically made
- Unquestionable personal character
- Held in high regard by peers in his or her profession or business; a respected citizen
- Ability to deal openly and directly with staff and other board members when pleased or displeased about something (5)

6. Why some Boards of Directors fail

Even in the United States where a legal precedent exists which legitimizes the existence of Boards of Directors, not all boards are successful. Below are some reasons why some fail:

- Board members do not properly select new board members
- Adequate policies are not put into writing and carried out consistently
- The board tries to do things which are outside its scope (not focusing on functions stated above)
- Interference with functions of the staff
- The board does <u>not</u> act as a team - within the board nor with the staff. In such cases, individual egos needs take precedence over the needs of the organization
- The board does not maintain an open dialogue with the organizations members and constituencies
- The board and individual board members do not follow-through on commitments made on behalf of the organization (6)

7. Recruiting process for Board Members

First Step: Planning

Before beginning any good recruiting process an organization needs to know its priorities and what/who it will need to achieve these. Such planning should make very clear the values of the organization, the personal characteristics desired of a board member, the top priorities of the organization's work, specific work to be done to achieve the stated priorities, and the kind of skills required from board members and staff in order to be successful.

If it is a new organization that has not gone through a strategic planning process, an understanding of organizational principles and basic priorities can begin to clarify the attributes needed of potential candidates for board membership.

Second Step: Evaluating the current board

It is essential to analyze the strengths and weakness of the present board in order to build a stronger board. The criteria for such an evaluation should contain the elements outlined in the planning phase.

Third Step: Identifying candidate for the board

With the knowledge of the organization's priorities and needs of the present board, it is important to develop a list of prospective candidates.

Fourth Step: Recruitment

When approaching candidates its important to present the responsibilities, functions of a board member and to make clear what is to be expected of the person if he or she is elected to the Board of Directors.

Fifth Step: Election

When the persons contacted have expressed interest in serving on the board, the present board then approves or disapproves their membership. During this time it is important to keep in mind the list of personal characteristics which are desired for prospective new board members (stated above)

Sixth Step: Orientation

Soon after the election, the board should conduct an orientation session for new members. Such an orientation should cover the goals and objectives of the organization, familiarize them with the program and staff, further define the roles and responsibilities of each new member, and begin to build a spirit of team work and cooperation among board member and staff. (7)

8. Board, Volunteer and Staff Relations

Coming together is a beginning;
Keeping together is progress;
Working together is success.

- Unknown (8)

In order to develop a true spirit of team work among board members, other volunteers and staff, it is necessary to first clarify the separation of roles - and then to make working together on common areas an ongoing priority.

Separation of the two roles

Board:	Makes the final decision on policy
Staff:	Helps the board make informed decisions Carries out the work authorized by the policy Makes day-to-decisions on required work
Board:	Insures the financial support of the organizations work
Staff:	Manages the fiscal affairs of the organization Provided technical expertise in fund raising
Board:	Shares expertise in a variety of technical and leadership areas
Staff:	Educated and has the professional skills needed by the organization
Board:	Knows the duties delegated to the staff
Staff:	Directs the work of other staff assigned to him or her, defines the duties, gives support
Board:	Available to staff for consultation on matters of concern
Staff:	Consults with professionals in order to make wise decisions
Board:	Interprets the work of the organization to the community Acts as a bridge between the board and the organization
Board:	Evaluates the work of the organization
Staff:	Assists in the evaluation of the work of the organization (9)

Developing an effective team

The responsibility for developing an effective team rests equally with the Chair of the Board of Directors and the Executive Director. Some of the important elements of this building process include:

- Both the board Chair and the Executive Director know that working together is a common goal for their success
- Both must appreciate the interdependency of their relationship
- Both must be committed to a partnership. This leads to more effective decisions and actions than working in isolation (10)

Working Together: Key to a vital organization

When trust and confidence exist among the Chair of the Board of Directors and the Executive Director, significant tasks can be accomplished:

- Identification of community and organizational needs
- Clarity of an organization's goals and priorities
- Creation of an environment for change
- Development of financial resources and other forms of support
- Leadership provided for the development of quality programs and services
- Ability to keep focused on the long-term goals, even during times of stress and confusion
- Shared leadership at the top of the organization encourages leadership development and increased commitment throughout all levels
- Respect for the democratic process is maintained, even when there are periodic disagreements among the Chair and Executive on a specific matters. (11)

JOB DESCRIPTION OF A YMCA BOARD MEMBER (1/2)

TITLE: Member, YMCA Board.

PURPOSE:
To serve as a voting member of the group with the authority and responsibility to develop policies, procedures and regulations for the conduct of the YMCA; to raise funds through personal contributions and participate in the campaign structure to finance the organization and its programs.

TERM: Three years (unless elected to fill an unexpired term of shorter duration).

MEETING ATTENDANCE: Regularly - Monthly board meetings (average of 10 annually);
Standing Committee meetings (average of 6 annually);
Ad Hoc Committee meetings (as needed);
Special events (as announced);
Occasionally - YMCA program events (as board representative).

RESPONSIBLE TO: Board chair.

RESIGNATION TO: In writing to the board chair.

PE. NAL ATTRIBUTES:
1. Unquestionable character (the YMCA will accomplish its purpose when its leaders demonstrate the purpose of the YMCA through their own lives).
2. An interest in the programs and goals of the YMCA.
3. High standing among the men and women of his or her business or profession.
4. A respected citizen in the community.
5. The breadth of understanding and a tolerance of the viewpoints of others.
6. The willingness to state one's convictions -- and equally the willingness to accept the majority decisions when in conflict with one's own stand.
7. Deal openly and directly with the staff and other board members when pleased or displeased.

RESPONSIBILITY AND POWER OF THE BOARD:
1. Establish policies for administering the programs and services which are in harmony with the general purposes of the YMCA.
2. Employ the executive. (If a branch, serve as consultants in the executive employment.) Elect other staff members upon nomination by executive.
3. Secure funds for expenses through active participation in the annual Current Support Campaign.
4. Monitor the financial affairs in a responsible basis in accordance with established policies.
5. Maintain the property of the YMCA in a reasonable state of repair.

SPECIFIC DUTIES OF A BOARD MEMBER:
1. Attendance at board meetings (continuity of attendance and participation as a policymaker and planner is the most important part of the job):
   - Attend regularly and on time;
   - Become informed in advance on agenda items;
   - Contribute knowledge and express points of view based on personal experience;
   - Consider all points of view, make positive suggestions and help make decisions reflecting all.
2. Attend the meetings of the standing committee (and ad hoc committees) to which appointed.
3. Become a financial supporter of the YMCA at a "stretching" level.
4. Assume leadership in the Current Support Campaign.
5. Assume leadership as asked (board officer, committee chair).
6. Represent the YMCA proudly and positively at community events and with private individuals.
7. Be informed about YMCA programs and policies.
8. Become educated about the needs of the community, young people, families and the world.

Reference Notes

1. Kuenzli, Gary, "Successful Board Leadership: The annual for Proven Practices", Management Resource Center YMCAs of Southern California, Los Angeles, 1994, pg. 10,11,29,49.

2. Ibid., pg. 13.

3. Ibid., pg. 13-14.

4. Ibid., pg. 15.

5. Ibid., pg. 43-44.

6. Ibid., pg. 21-22.

7. Ibid., pg. 68-73.

8. Ibid., pg. 87.

9. Ibid., pg. 90.

10. Ibid., pg. 92.

11. Ibid., pg. 101-102.

12. Ibid., pg. 83.

Who does what
in volunteer-staff relationships

YMCA Leadership is a partnership of volunteers and staff. Below are listed some typical functions carried on in most YMCAs at one time or another. Identify in the blanks those which are primarily:

-Staff function (volunteer or paid staff) - mark with an "S"
-Policy making volunteer function - mark with a "V"
-Shared function (both working together) - mark with a "X"

__ 1. Makes committee reports to the board.

__ 2. Prepare preliminary budget.

__ 3. Sat fees for activities.

__ 4. Call on members for contributions.

__ 5. Write proposal for grant.

__ 6. Plan meeting agenda.

__ 7. Train volunteer leaders.

__ 8. Prepare summer camp schedule.

__ 9. Conduct program activities.

__10. Carry out long range plans.

__11. Evaluate programs.

__12. Recommends salaries for program staff.

__13. Hire a summer camp director.

__14. Hire Executive Director.

__15. Directs the staff.

__16. Evaluates Executive Director.

__17. Sees that expenses remain within the budget.

__18. Send out meeting notice.

__19. Serve as committee chair.

__20. Recruit new board members.

__21. Call committee chair to urge work.

__22. Take meeting notes.

__23. Call to urge meeting attendance.

__24. Prepare study for committee

__25. Induct new board members.

__26. Prepare organization's annual report.

__27. Final legal authority.

__28. Contribute to campaign.

__29. Prepare newsreleases.

__30. Speaks positively about the YMCA in the community.

__31. Hires program director.

__32. Fires a secretary.

__33. Appoints committee members.

__34. Develops Long range plan.

RECOMMENDED ANSWERS FOR
"WHO DOES WHAT IN VOLUNTEER -STAFF RELATIONSHIPS"

While both staff and volunteers are involved in almost all activities, these answers are based on who has the primary responsibility. All answers are based on the concept that:

- Identifying policy needs.....joint function (volunteer policy maker and staff)
- Formulating policy options..... joint function (volunteer policy maker and staff)
- Determining policy.....volunteer policy maker function
- Implementing policy.....staff function
- Monitoring policy.....joint function (volunteer policy maker and staff)

1.	V	Staff provides input, but it is a volunteer policy maker function.
2.	S	Preparing a preliminary budget is a staff function. Approving the budget - which is a policy - is a volunteer function.
3.	S	Setting fees for individual events should be a staff function based on policy direction established by volunteers.
4.	V	Best a volunteer function. Not cost effective for staff, unless a significant gift.
5.	S	
6.	S	Should always be a shared function.
7.	S	A staff function (but may be volunteer or paid staff).
8.	S	Schedule preparation is management. A final volunteer approval may be necessary, however.
9.	S	Again, staff, but volunteer staff or paid staff.
10.	S	Once the plan is approved by the volunteers, it becomes a staff function to implement.
11.	X	One of the best examples of a sharing function.
12.	S	Strictly staff (from the executive) with a volunteer approval.
13.	S	
14.	V	Strictly a function of volunteer policy makers.
15.	S	
16.	V	Appraisal for the corporate CEO comes from the volunteers (in the branch executive situation, it is shared between volunteers and the branch and corporate office).
17.	S	Managing fiscal affairs is strictly a staff function (as a part of management). (Budget approval, fiscal policies and budget monitoring is a volunteer function).
18.	S	
19.	V	Except in very unusual circumstances, a volunteer function.
20.	X	Another example of a good shared function.
21.	V	To continue the chain of command it is better accomplished by volunteers (board chair).
22.	S	Staff should handle this function (in fact, an office staff member would be best).
23.	X	While shared, chain of command is important so the function Leans toward the volunteer.
24.	S	
25.	S	Tricky. Staff generally would "arrange for" the induction, but it has more impact when conducted by a volunteer peer.
26.	S	
27.	V	Volunteers- actually the total corporate board.
28.	X	What else? We're all in this together!
29.	S	
30.	X	Both, of course!
31.	S	The employment is by staff, but as with the branch executive, appropriate volunteers should have a consulting involvement.
32.	S	
33.	V	Staff provides input, but it is a volunteer policy maker function.
34.	X	All policy development (not approval) is a shared with staff and policy making volunteers.

1. DETERMINE THE ORGANIZATION'S MISSION AND PURPOSES

The board's fundamental responsibility is to satisfy itself that everyone connected directly or indirectly with the organization understands its reasons for existing—precisely what it strives to accomplish. This usually takes the form of a written mission statement ranging from a paragraph to a full page. In addition to ensuring that the organization has a modern statement of what it is, represents, and does, the board should periodically review its adequacy, accuracy, and validity. Although the board may not have *exclusive* domain over the process of revising or updating it—indeed it may have an obligation to consult with the organization's "shareholders" such as its members, volunteers, staff, clients served, or national or state offices—it is the board's responsibility to adopt it.

A widely distributed statement of mission and purposes should articulate the organization's goals, means, and primary constituents served. It should explain what makes the organization distinctive and special and present a compelling reason for individuals, foundations, and corporations to support it financially.

An adequate statement of mission and purposes should serve as a guide to organizational planning, board and staff decision-making, volunteer initiatives, and setting priorities among competing demands for scarce resources. It sets the stage for developing fundraising strategies and strategic planning as well as the board's many other responsibilities.

2. SELECT THE EXECUTIVE

This responsibility undoubtedly has the greatest impact on the organization's development and effectiveness. While this function may also be shared with others who have a stake in the outcome, the final decision is, and should be, the board's to make.

A carefully considered search process is essential, of course, but a prerequisite of effective executive performance is the board's recognition of its duty to provide the kind of working environment that will enable the top staff executive to succeed. Prior to a search process, the board should review the organization's statement of mission and purposes and ensure its adequacy; conduct an audit of the organization's major strengths and needs; establish specific priorities for the next period of executive leadership; articulate the par-

ticular characteristics, skills, and style it seeks in its new executive; establish clear objectives and clarify expectations for at least the first year of his or her service; provide an adequate compensation package and other employment terms; and clarify its own functions as distinct from those of the executive and staff, including the executive's exclusive responsibility to select and supervise a management team without board interference.

Finally, the board should prepare a comprehensive job description that includes a response to this fundamental question: Who is the organization's "chief executive"? Is it the chief staff officer (by whatever title), or is it the top elected volunteer officer (by whatever title)? Or is it some vague and perilous combination of both?

3. *SUPPORT THE EXECUTIVE AND REVIEW HIS OR HER PERFORMANCE*

Nowhere else can the chief executive seek the kind of moral and substantive support he or she consistently needs except from his or her board. Although this responsibility is often manifested through the board's top elected officer, it remains a *board* function. Some boards have found it useful to assign this responsibility to its executive committee. This helps, but the board as a whole should be satisfied that the chief executive:

- receives frequent and constructive feedback;
- is introduced to other community leaders and organizations;
- is invited to important social functions;
- is complimented for exceptional initiatives;
- is encouraged to take professional and personal leave for renewal;
- is assisted when members overstep prerogatives or misunderstand their roles;
- feels that the board is aware of and sensitive to family situations and needs; and
- feels that his or her performance is being assessed in relation to the board's performance.

With regard to informal and formal performance reviews, the board and executive should agree on purposes and processes. This delicate business is helped immeasurably if annual goals and objectives are mutually discussed and agreed on; they become the primary criteria

for review through informal and candid discussion.

It is the formal, periodical, and comprehensive review process that can be especially challenging for everyone concerned. The board performs this function best, as part of its responsibility to be supportive, when there is explicit agreement on these points:

- The primary purpose is to help the incumbent to perform more effectively (ideally, to keep the process healthy and constructive, compensation increase and contract renewal decisions should *not* be the primary purpose for conducting the process).
- The incumbent should be consulted on the process of review well before it is initiated.
- The board and executive accept the fact that their effectiveness is interdependent; neither can be assessed completely independently.

Given the importance and delicacy of comprehensive executive performance assessment, and assuming it will be conducted by standing board policy every five-or-so years, many boards and executives have found it useful to secure mutually agreed-upon and qualified third-party services from outside the organization. Such an initiative brings professionalism, objectivity, and perspective that almost always justifies the required financial investment. An outside person acceptable to both executive and board can assess both incumbent performance and any organizational or governance constraints and make recommendations helpful to everyone.

4. *ENSURE EFFECTIVE ORGANIZATIONAL PLANNING*

The conventional wisdom among most students of directorship and trusteeship is that boards should insist that comprehensive organizational planning is done and done well. So far so good, but the perplexing questions for board and staff are: 1) who should *do* it; and 2) how can busy volunteer board members be meaningfully involved in the process? Opinions differ on how these questions should be answered, but there is wide unanimity on at least these principles:

- Board members must be involved extensively in the planning process if they and the board are to assume proper "ownership" of the plan and otherwise help to implement many of the plan's goals and objectives including the acquisition of new resources. Their

role is essentially one of asking good questions, expecting good answers, and serving as resources in areas of personal and professional expertise. Some suggested questions are listed below.

- The board's committee structure offers particularly helpful opportunities to engage board members in certain areas to be addressed in the plan. Functional areas not obviously tied to board standing committees could be made part of executive committee or full board agendas.
- The board should formally and enthusiastically approve the plan following an extended period of consultation and opportunity for revision. While some long-range forecasts can be made, it is probably best not to cover more than a three-year period. Annual progress reports by the executive will keep the staff accountable and the board aware of progress on priorities.

When there is professional staff, the conduct and coordination of planning is best entrusted to it. We should not expect volunteer board members to be full-time authorities on programmatic, financial, and managerial issues, or to commit to more and longer meetings. The organization's executive and staff must share *at least* as much enthusiasm and ownership as does the board, and perhaps even more, because they bear the primary responsibility for implementing it.

This is not at all to minimize the board's vital involvement in the planning process, however. Because board members are, or should be, free of vested interest and are responsible for considering issues and rendering judgments for the organization as a whole, and because they must ultimately assess the quality of the goals and objectives resulting from the process, they should be involved extensively in it. Illustrative of the kinds of questions that board members should resolve are these:

1. Is the statement of mission and purposes in need of any fine-tuning or major adjustment?
2. Are the plan's underlying assumptions about the organization and its external environment comprehensive and plausible? Are any major factors missing?
3. What are the cost-benefit ratios for each of the organization's current programs and services? Are any peripheral to the organization's primary purposes? Which should be retained? Which should be discontinued or modified?
4. How can the organization effectively reach more people in its programs and services? Which of the proposed initiatives hold the best and most realistic promise in this regard? Are new priorities clear and the proposed means of paying for them realistic? Which can or should be self-supporting and which should be operated "at a loss"?
5. What are the staffing implications of proposed new programs and services? How will the organization pay for additional staff positions?
6. Is it time for a comprehensive review of the organization's governance structure? Should the board conduct an assessment of its own role, membership, organization, and performance as part of, or in advance of, the planning process itself? How should this be done?
7. Looking at recent income and expenditure trends, how realistic are projections? What goal should the organization strive to achieve for financial reserves (e.g., at least one-half of its annual operating budget)?
8. Is the organization adequately staffed to conduct an ambitious set of fund-raising initiatives? Are the executive's and board's roles clear on this score?

Planning occurs at various levels within an organization depending on its size and complexity, the attitudes of the executive, staff, and board concerning its relative importance, and many other circumstances. Planning can be "operational" (day-to-day), "short-term" (ad hoc to meet a specific priority), or "long-range" or "strategic" (comprehensive and very forward looking). It is the board that should insist on the latter or it seldom gets done, but we should remember that all planning is more art than science. And, it is the *process* of conducting a substantive planning effort, of bringing many people together under good leadership, that is often as important as the resulting plan itself. Depending on the special circumstances, mission, and purposes of the organization, most long-range or strategic plans will include some variation and combination of these elements:

- Statement of mission and purposes
- Assumptions about the future (likely internal and external circumstances)
- Current programs and services

TOTAL P.02

- New programs and services
- Membership development and retention strategies (if appropriate)
- Staffing (current and projected)
- Board of directors (size; method of selection; committee structure; other bylaw provisions)
- Financial projections (income and expenditures)
- Fund-raising strategies
- Public relations
- Appendices (current and proposed staff organization charts; financial trends for preceding three to five years and projections for the next three years; trend data on clients and constituents served; etc.)

5. *ENSURE ADEQUATE RESOURCES*

An organization is only as effective as it has resources to meet its purposes. Providing adequate resources is first and foremost a board responsibility. Many organizations confuse the executive role with the board's responsibility on this score, particularly when the staff includes a director of development or fund raiser.

It is perfectly appropriate to consider the top executive as the "chief fund raiser," but the board determines what is really possible to achieve. The performance of the board, executive, and director of development is intimately linked to the board's membership and its ability to open doors, influence potentially large donors, and otherwise monitor and guide fund-raising initiatives. Effective fund raising is one measure of the board's capabilities, commitment, and influence. Every board member should inventory his or her connections with potentially helpful givers, and the board should accept responsibility in this area.

Providing an annual gift by board members is increasingly accepted, although sometimes reluctantly. Their personal and collective example is very important. In addition to being able to report 100 percent participation to potential and past supporters, board members are better fund raisers when they know they have done their part. The *amount* of personal giving by board members is less important than the *extent* of their participation.

Aggregate board member giving should be reported as a separate category in fund-raising reports. The aggregate giving for the same period of the preceding year should also be provided. The annual goal each year should be to exceed the preceding year's total.

The expectation of personal board member giving is a relatively new one for many boards and board members, and it has created a certain awkwardness for everyone, especially the executive. It is important to ensure, therefore, that only board members personally solicit one another and that we dispel the myth that giving *time* to an organization is equivalent to giving *money* (both are important and everyone is capable of giving *something*). All prospective board members should understand that an annual gift is one of the board's expectations.

The board should periodically consider and approve a fund-raising rationale and plan "a case statement." This is a written statement of need that extends in more detail what is presented in the organization's statement of mission and purposes. Whether more unrestricted funds or funds for a special project or program are being sought, the organization needs to develop a current game plan. The case should clearly answer the questions of why the organization needs money and how it will be used. Harold J. Seymour, author of the classic *Design for Fund-Raising*, recommends that the case for fund raising should "aim high, provide perspective, arouse a sense of history and continuity, convey a feeling of importance, relevance and urgency, and have whatever stuff is needed to warm the heart and stir the mind."

Finally, the board should guard against a natural tendency for it to behave as if its development or fund-raising committee alone bears the responsibility for initiatives in this area. Again, fund raising is a full board function; the appropriate standing committee is simply the board's agent to help coordinate the work of the board's members, executive, and any fund-raising staff. Complacency should be avoided. Indeed, one of the committee's functions is to remind all board members of their responsibilities.

6. *MANAGE RESOURCES EFFECTIVELY*

An important part of serving the public trust is protecting accumulated assets and ensuring that current income is managed properly. Because organizations are incorporated and granted tax-exempt status by state and federal laws to fulfill a public need, the board's obligations go well beyond its organization's members, constituents, or clients.

Boards traditionally exercise this responsibility by helping to develop and approve the annual budget. Indeed, this annual rite is probably one of the board's most significant policy decisions because it sets in motion a host of programmatic, personnel, and other priorities. This responsibility should not be delegated to the board's executive or finance committees.

The board can only monitor the budget's implementation if it has clear, intelligible, accurate, and timely financial reports. All board members should receive *quarterly* balance sheets with a consolidated accounting of all assets and current liabilities. These should be prepared within 30 days of the end of each quarter by a capable in-house accountant or an external service bureau. *Monthly* finance reports should be provided the treasurer and members of the financial or executive committee; in the absence of such committees, all board members should receive them. Monthly reports should show comparative figures for the same period in the preceding fiscal year and, above all, they should be comprehensible to board members. Board members should not shy away from suggesting improvements in the formats and presentations of financial reports.

The board should insist on an annual audit by an independent certified public accountant or accounting firm. The audit function should not be performed by a volunteer board member. It is also good practice for an audit subcommittee of the board's finance committee or a separate audit standing committee, if the board is of sufficient size to accommodate it, to meet with the auditor *at least* subsequent to the audit process and before the audit is in final form.

Some boards of organizations with substantial budgets decide to meet with the auditor before the audit process begins to request specific instructions with regard to the auditor's "management letter" that is prepared for the board and executive, but separately from the audit report. Finally, all board members should receive the audit report prior to the meeting at which it is discussed.

7. *DETERMINE AND MONITOR THE ORGANIZATION'S PROGRAMS AND SERVICES*

The board's fundamental role begins with the question of whether current and proposed programs and services are consistent with the organization's stated mission and purposes. Given limited resources and unlimited demands on them, the board must decide among competing priorities. Financial and programmatic decisions should not be made independently.

What the organization does for its members, constituents, or clients determines its significance as a social institution. Yet there is nearly universal complaint by board members that their meeting agendas are dominated by finance and fund-raising issues. Every board must find a sensible division of labor among its members to ensure that programs and services are demonstrably consistent with the organization's mission and purposes and are of high quality. This minimally argues for an appropriately-named standing committee.

The board should have a good sense of its monitoring and oversight role by seeking a balance between the board's responsibility to ensure quality, cost-effective programs and services, and the staff's responsibility to creatively initiate and conduct them. It is in meeting this particular responsibility that board and staff roles often become confused, particularly when board members also volunteer extensively to conduct and manage programs. Candor, openness, and explicit job descriptions go a long way toward negotiating an accommodation satisfactory to everyone.

Here again, the board best performs its role by asking the right questions and expecting good answers. These are illustrative:

1. Is it time to conduct a survey of constituents (or clients or members) to determine their satisfaction with programs and services? When was this last done, with what methodology and what results? (Such a survey of users could also elicit suggestions to improve existing programs and services and recommend new ones.)
2. How can the board and staff monitor constituent satisfaction with future programs and services in a consistent, cost-effective, and reliable manner?
3. What do we know about who participates in or takes advantage of each of our major programs and services? Are participation trends in the right direction in terms of both numbers and categories of people served?
4. What proportion of the annual budget is devoted to programs and services as distinct from personnel costs and other expenditures? Is the balance about right?
5. How should information acquired from ongoing monitoring of the organization's programs and services be used to change its policies or priorities?

8. ENHANCE THE ORGANIZATION'S PUBLIC IMAGE

The board serves as a link between the organization's staff or volunteers and its members, constituents, or clients. But government leaders, the media, and current and potential funding sources call for an ambitious and effective public relations program to ensure a healthy public image for the organization. Clearly articulated achievements, contributions to the public good, and explanations for how gifts and grants and other revenue sources are allocated are all part of the process. Written annual reports, timely and informative press releases, consistent communication initiatives with community and government leaders, and timely speeches by appropriate board members to civic and community groups are important elements of a comprehensive public relations strategy.

One of the most important decisions to be made by the executive and the board's top elected leader is who should be the organization's spokesperson. This decision is normally situational, but there are advantages to having an especially articulate board chairperson or volunteer president who can serve this important function. Volunteer leaders who convey their commitment and dedication through advocacy and a willingness, on behalf of their boards, to get out in front of their executives and staffs on the thorny issues command more public attention and respect because they do not receive remuneration.

Boards, however, should guard against the occasionally overzealous board member who may take inappropriate and unilateral initiatives without clearance. The board's elected leaders should ensure that the board appropriately disciplines itself. No board member should represent himself or herself as speaking for the board or organization unless specifically authorized to do so.

9. SERVE AS A COURT OF APPEAL

One of the marks of an effectively managed and governed organization is its ability to avoid having its board adjudicate personnel issues except in the rarest of circumstances. Solid personnel policies and procedures, grievance protocols, and especially clear understanding about the executive's responsibility for hiring, developing, and releasing staff help to ensure proper decorum in this area. Nevertheless, the time may come when the executive's judgment will be challenged. The wise executive knows when to consult with the board and to ask for its judgment involving disputes not otherwise manageable within the executive's prerogatives.

10. ASSESS ITS OWN PERFORMANCE

One of the most significant contributions of John W. Nason in his research and writing on trusteeship in the collegiate and philanthropic sectors of society is his urging that boards conduct substantive reviews of their own performance. This is the most contemporary of board responsibilities, one that is being taken more seriously in voluntary, not-for-profit organizations than in for-profit corporations.

Every three to five years, the board and its executive should stand back from their usual preoccupations and reflect on how the board is meeting its responsibilities. This process should include a look at how its membership composition, member selection process, organization or structure, and overall performance can be strengthened.

A candid and anonymous written survey of board member perceptions in advance of a workshop or retreat can pave the way for consensus on priorities. A qualified third-party facilitator can bring experience, objectivity, credibility, and perspective along with some innocence to the process. An overnight stay away from the organization's boardroom combined with opportunities to socialize can build camaraderie and trust among board members and between the board and the executive.

CONCLUSION

There are other board responsibilities, of course. Students of trusteeship and directorship have their favorite lists. Assuring compliance with local, state, and federal laws and regulations; questioning unreasonable governmental intrusion; adhering to the highest ethical and moral standards of organizational behavior; and selecting its own successors are but a few that deserve mention. The list of suggested resources at the end of this paper elaborates on some of these.

It is important and useful, however, to make a distinction between *board* and *board member* responsibilities. Written job descriptions for the board and for its members should help boards to strengthen their sense of purpose, relations with their organization's executive and staff, organization and structure, and overall performance. This paper concludes with an illustrative Statement of Individual Board

NGO Boards of Directors Responsibilities

1) **Determine organizational goals**

2) **Designate coordinators**

3) **Support coordinators and assess task implementation**

4) **Provide effective organizational planning**

5) **Provide adequate resources**

6) **Effectively use resources**

7) **Define and control organizational programs and services**

8) **Improve public image**

9) **Act as Court of Appeal**

10) **Evaluate their own work**

Approved

Minutes #1
General Meeting of Founders
Date: February 9, 1995

Registered by
Lenin District Administration
Nizhni Novgorod
Date: _____

Registration Certificate # _____
Issued on _____
Registration # _____
Signed by _____

Nizhni Novgorod Association of Non-Government and Non-Profit Organizations "HOLY SERVICE"

CHARTER

Nizhni Novgorod, 1995

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5. Managing and Control Bodies

5.1. The Managing Bodies of the Association are:
- General Meeting of Founders (Members) of the Association;
- Board of Directors of the Association;
- Executive Director of the Association.

5.2. The supreme Managing Body of the Association is the General Meeting of Founders (Members) of the Association. The representation quote is one person from each Founder.

5.3. The General Meeting of Founders (Members) of the Association, being the supreme Managing Body, is authorized to make decisions on all operational issuess of the Association. The General Meeting is convoked as need arises, at least once in three months. A special General Meeting can be convoked if no less than 1/3 of Founders (Members) or no less than 2/3 of the Board of the Association are present or on demand of the Auditing Commission (Auditor). The President of the Board (President) shall inform the participants about the date, place and agenda of the Meeting no later than seven days before the set date. The General Meeting is authorized to make desicions if no less than 2/3 of the total number of Founders (Members) of the Association are present. Decisions made by the General Meeting are adopted if 2/3 of the present Founders (Members) of the Association voted in their favour.

5.4. The terms of reference of the General Meeting cover the following issues:
(a) introducing amendments and additions to the Charter and Constituent Agreement of the Association;
(b) electing the Board and the President of the Association;
(c) terminating or reorganizing the Association, designating the Liquidating Commission, approving the liquidating balance;
(d) accepting and expelling Founders (Members) of the Association;
(e) creating and liquidating enterprises, affiliations, departments and representations;
(f) approving annual operational reports including the operation of affiliations and representations, approving reports of the Auditing Commission (Auditor), the procedure of income distribution and damage recovery.

5.5. The Board of the Association manages the Association between General Meetings of the Founders (Members) of the Association. The members of the Board are leaders of the Founders (Members) of the Association. The Board is elected for the period of five years and consists of five persons. The President of the Association presides at the Meetings of the Board.

5.6. The terms of reference of the Board cover all the operational issues, except the issues covered by the terms of reference of the General Meeting of the Founders (Members) of the Association.
The Board also approves of the candidacy of the Chief Accountant of the Association and makes decision on securing an agreement with the person in question;
determines operational guidelines for the Association;

elaborates operational and funding plans;
accepts and approves internal regulations as well as the budget of the Association;
sets the amounts of entrance, periodic and special fees for the Founders (Members) of the Association and the payment procedure;
determines the procedure securing funds and amounts;
and settles other issues, covered by the terms of reference of the Board.
The Board and the Executive Body of the Association is headed by the President who performs the duties of the President of the Board.

5.7. The sessions of the Board are held as need arises, at least once a month. The Board is considered competent if no less than 2/3 of the Members of the Board are present.
Decisions are adopted by 2/3 of the Members of the Board attending the Meeting.
The voting procedure is defined by the Board.

5.8. The current operation of the Association is governed by the President of the Association, who is elected for the period of one year by open vote.
The President is authorized to solve all the problems referred to the operation of the Association, except for the issues covered by the terms of reference of the General Meeting of the Founders (Members) of the Association and the Board of the Association.

5.9. The Executive Body of the Association is the Executive Director who is designated by the Board of the Association. If necessary, a contract is signed between the Executive Director and the President, representing the Board. The Executive Director accepts all liabilities of managing the day-to-day operation of the Association.

5.10. The President and the Executive Director have equal authority and independently solve all the operational issues, except for those referred to the General Meeting and the Board of the Association.

5.11. The President presents reports to the General Meeting of the Founders (Members) of the Association at least once in three months. The Executive Director reports to the Board of the Association.

5.12. The Board presents reports to the General Meeting of the Founders (Members) of the Association at least once a year.

5.13. The President has the right to terminate his/her performance upon notifying the Board in writing no later than one month before the date of actual termination. In this case the Board convokes the General Meeting which elects a new president.

5.14.The Auditing Commission (Auditor) controls the activity of the Board, the President and the Executive Director. The Auditing Commission is elected by the General Meeting of the Founders (Members) of the Association for a period of one year.

5.15. The Auditing Commission (Auditor) performs at least one annual audit and reports on the annual operation of the Board. The Auditing Commission (Auditor) annually reports its findings to the General Meeting of Founders (Members) of the Association.

5.16. The Auditing Commission (Auditor) have the right to request any accounting, financial or other documentation from the Founders (Members) and employees of the Association, as well as personal verbal or written explanation on the operation of the Association.

5.17. In case of misuse or threat to the interests of Founders (Members) of the Association the Auditing Commission (Auditor) is authorized to require the convocation of an extraordinary General Meeting of the Founders (Members) of the Association.

5.18. The Board, the President and the Auditing Commission (Auditor), which does not deserve credit of the Founders (Members) of the Association, can be at any time reelected by the General Members of the Founders (Members) of the Association.

Enacted
December 6, 1993

Immigration and Refugee Services of America

CONSTITUTION AND BYLAWS

ARTICLE I

Name

The name of the Corporation shall be Immigration and Refugee Services of America.

ARTICLE II

Purposes and Goals

Section 1. The Immigration and Refugee Services of America ("IRSA") is a national, not-for-profit, nonsectarian organization concerned with people in migration, either forced or voluntary, and the issues faced by individuals or groups as a result of their migration. It engages in activities that have as their purpose the promotion of fair and humane public policy and appropriate services for this population. IRSA carries out its mandate both in cooperation with its member agencies and through the direct operation of national and international program and activities. The goals of (IRSA) shall include the following:

(1) To assist the foreign-born and non-English speakers, especially immigrants, refugees and their descendants, in their adjustment to the United States, to further their knowledge and appreciation of our nation's heritage and values, and to facilitate their becoming fully participating citizens.

(2) To promote social policies and develop programs which take into consideration linguistic and cultural differences within our society.

(3) To develop mutual understanding and appreciation among ethnic groups and assist them in achieving fuller participation in our society.

(4) To contribute to the understanding of cultural pluralism and foster awareness and involvement among the general population in the issues relating to cultural diversity, including an awareness of the opportunities which our diversity of population gives the United States in promoting a sense of world community.

(5) To work for migration, immigration and naturalization policies which are equitable, humanitarian and nondiscriminatory.

(6) To monitor the assistance and protection needs of refugees and internally displaced people worldwide and to advocate for appropriate responses to those needs on the part of the public and policymakers.

(7) To engage in international programs that further the purposes of the organization.

Section 2. As an organization with member agencies, IRSA shall endeavor to provide services which will strengthen its member agencies, to serve as a national office for them, to assist in establishing new agencies in communities where they are needed, and to serve as a means through which it and its member agencies can, by collective action, achieve their purposes as a national program. In fulfillment of these objectives, IRSA shall:

(1) Make available to its member agencies, through field visits, counsel and other means, services which will help them to meet the needs of their communities more effectively and to fulfill the purposes of the national program.

(2) Assist its member agencies in their dealings with the Federal government and other national and international bodies.

(3) Serve as a clearing house for materials and activities which can be of assistance to member agencies.

(4) Serve as a resource for information and technical assistance in approaching governmental and nongovernmental sources of funding of programs for member agencies.

(5) Assist in creating favorable public opinion for the local and national programs.

(6) Maintain liaison with national and international organizations.

(7) Assist in fostering the development of cooperation, understanding and goodwill among ethnic and racial groups.

(8) Undertake activities of national scope in consultation and cooperation with its member agencies.

(9) Extend membership to existing agencies which meet the criteria for membership.

(10) In conformity with IRSA's objectives, assist in the initiation and development of services in communities not now being fully served.

(11) Formulate goals and standards for programs and practices for IRSA and its member agencies.

(12) Develop programs which will enable IRSA independently or in cooperation with member agencies to carry on the purposes of the organization.

Section 3. In furtherance of its objectives, IRSA may work with and provide assistance to other agencies and organizations interested in work with immigrants, intergroup relations, or intercultural programs, regardless of whether such agencies and organizations qualify for membership.

ARTICLE III

Membership

Types of Membership. IRSA shall have two kinds of members: individual members (ref. Article VI) with voting rights and member agencies without voting rights (ref. article IV).

ARTICLE IV

Member Agencies

Section 1. Member Agencies. Member agencies shall be those non-profit agencies and organizations which have purposes and functions in accord with those of IRSA and which have been elected as member agencies by vote of the Board of Directors of IRSA. Such membership may be terminated by the Board of Directors by a two-thirds vote of those present at any meeting of the Board, provided that such proposed action has been included in the written notice of the meeting and that prior to the meeting the Executive Committee of IRSA shall have held a hearing, upon thirty days' notice to the member agency in question, at which the member agency has been given an opportunity to state its case. The Board of Directors shall, in consultation with the Professional Council, develop criteria for member agency membership, and develop an equitable schedule for the payment of dues. The Board shall have power to make exceptions with respect to the amount of dues to be paid and proposals for such exceptions shall be brought to the Board for consideration.

Section 2. The Professional Council. The Chief Operating Officers of the member agencies (or membership entities) and the Executive Director of IRSA shall constitute

the Professional Council which shall annually elect a Standing Committee. The Professional Council shall meet annually with IRSA senior staff generally on the day preceding the Annual Convention. This meeting shall be chaired by the Chair of the Standing Committee or his/her designee. The following shall be addressed at the meeting or in connection with it:

(1) a report by IRSA of its program, finances and budget;

(2) a report by IRSA of its program priorities for the next year with reaction;

(3) recommendations offered by the Professional Council;

(4) and the establishment of the Standing Committee agenda for the next year.

Section 3. Standing Committee. The Standing Committee shall consist of five Chief Executive Officers of member agencies or membership entities elected by the Professional Council and the Executive Director of IRSA. There may be no substitute for the elected member. The role of the Standing Committee is: assistance with the furtherance of agreed upon national program priorities; study and analysis of issues determined by the Professional Council; the provision of advice on issues as requested by IRSA; and the reflection of a member agency perspective on the various components of the IRSA program.

Section 4. Election of Standing Committee, and Its Officers. The Professional Council shall elect the five members of the Standing Committee. In a separate election the Standing Committee shall elect a Chair and Vice-Chair of the Committee. The Chair and Vice-Chair shall be members ex-officio of the Board of Directors of IRSA. Standing Committee members shall serve for a term of two years. All Committee members are eligible for reelection to an additional two-year term if nominated.

The Professional Council shall elect a Nominating Committee Chair for the next year's Standing Committee. The Chair shall select three other members, one from each region as members of the Nominating Committee.

The Nominating Committee of the Standing Committee shall endeavor to develop a slate of nominees that takes agency geography and size and professional skills and experience into consideration. An individual may be nominated to the Standing Committee only after a period of two years in the network as a CEO provided that his/her agency is a member in good standing of IRSA. Nominees must state a willingness to regularly attend meetings of the Standing Committee.

Section 5. Standing Committee Meetings. There shall generally be three meetings of the Standing Committee each year, one of which shall take place when possible in a city in which a member agency is located. The dates of Standing Committee meetings shall be set by the Chair. One meeting of the Standing Committee each year shall take place in

connection with a meeting of the IRSA Board of Directors. Standing Committee members shall be invited to participate in a portion of the Board meeting as appropriate.

ARTICLE V

Individual Members

Section 1. Meetings of Members. There shall be an Annual Meeting of individual members for the conduct of corporate business, to be held in the last six months of the year. Special Meetings of individual members may be called at any time by the Chair or the President or the Board of Directors. The Annual and Special Meetings of individual members shall be held at the time and place set forth in the notice of meeting.

Section 2. Individual Members. The individual members of IRSA shall be the persons serving then as Directors of IRSA. All persons elected or who otherwise qualify as Directors shall thereupon become individual members. No one shall continue to be an individual member of IRSA after ceasing to be a Director. Individual members shall elect the Directors of IRSA, other than any ex officio Director, and shall vote on such other business as may come before the membership.

Section 3. Quorum and Vote of Individual Members. Except as otherwise expressly required by applicable law or these Bylaws, one-third of the individual members, present in person, shall constitute a quorum for the transaction of all business at meetings of the members, and the act of the majority of the individual members present at any meeting shall the be the act of the members.

ARTICLE VI

Board of Directors

Section 1. Directors, Alternate Directors and Term of Office. The affairs of IRSA shall be managed by a Board of Directors (the "Board"). The Board shall consist of such number not less than eighteen nor more than thirty-six Directors as shall be fixed by resolution of the Board. The Board shall be composed of Directors elected by the individual members, for each of whom one alternate Director may be elected as provided herein, the Chair and Vice-Chair of the Standing Committee of the Professional Council, who shall be members ex officio of the Board while acting as such Chair and Vice-Chair. Current or former employees of IRSA are not eligible for Board membership until two years subsequent to the date of their last receipt of compensation from IRSA. The Board (except for its ex officio members) shall be divided into three classes as nearly equal numerically as may be, with their respective terms of office expiring at successive Annual Meetings of the individual members of IRSA and upon the election and qualification of successors. At each Annual Meeting of the individual members of IRSA, or at any adjournment thereof, successors to the class of Directors whose term then expires shall

be elected for a term of three years and until the election and qualification of their successors. At each such Annual Meeting, if the individual members vote to do so, one alternate Director may be elected by the individual members for each of any one or more of the Directors elected by the individual members. Each alternate Director shall be assigned to the same class as the Director for which such person is the alternate. In the absence from a meeting of a Director for whom an alternate has been elected, and only in such absence, the alternate may, upon written notice to the Secretary, attend such meeting and exercise therein the rights, powers and privileges of the absent Director. When so exercising the rights, powers and privileges of the absent Director, such alternate Director shall be subject in all respects to the provisions of law and of this Constitution and Bylaws governing Directors. No alternate Director shall by virtue of serving as an alternate Director, or exercising the rights, powers and privileges of an absent Director, be, or exercise the rights, powers or privileges of, a member of IRSA. Any Director or alternate Director may resign by a notice in writing to the Chair of the Board, the President or the Secretary.

Section 2. Vacancies. Any vacancy created by the death, resignation or incapacity to act of any Director before the expiration of such Director's term, or by the creation of one or more new directorships, may be filled at any meeting of the individual members by vote of the individual members. Any vacancy arising between such meetings may be filled by vote of a majority of the Directors then in office. A Director elected to fill a vacancy shall be elected to complete the unexpired term and until the election and qualification of a successor.

Section 3. Meetings of the Board. The Board of Directors shall meet at least three times each year, including an Annual Meeting of Directors following the Annual Meeting of individual members. Meetings of the Board may be called at any time by the Chair of the Board, President of the Board, or any five Directors, by notice signed by the person or persons calling the meeting. Meetings of the Board shall be at a time and place to fixed by the Board, or if not so fixed, then by the Chair of the Board or the President. Presidents and Executive Directors of member agencies may attend the Board's meetings, except when the Board meets in executive session.

Section 4. Quorum and Vote of Directors. A quorum for the transaction of business at meetings of the Board shall be the following number of Directors present in person:

(a) Six Directors if the Board has fewer than twenty-six members;

(b) Seven Directors if the Board has twenty-six to thirty-five members; and

(c) Eight Directors if the Board has thirty-six members.

Except as otherwise expressly required by applicable law or these Bylaws, the act of a majority of the Directors present at any meeting shall be the act of the Board. In the absence of a quorum those present at the time and place set for a meeting of the Board may take an adjournment from time to time, without further notice, until a quorum shall be present.

Section 5. Action by Unanimous Consent. Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all the members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or the committee shall be filed with the minutes of the proceedings of the Board or of such committee.

Section 6. Participation by Telephone. Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or the committee by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

Section 7. Annual Report of the Board. At the Annual Meeting of the individual members the Board shall, pursuant to applicable law, present a report, verified by the President and Treasurer or by a majority of the Directors, or certified by an independent public or certified accountant or a firm of such accountants selected by the Board, showing:

(a) The assets and liabilities, including trust funds, of IRSA as of the end of the fiscal year preceding the date of such meeting;

(b) The principal changes in the assets and liabilities, including trust funds, of IRSA during such fiscal year;

(c) The revenues or receipts of IRSA, both restricted and unrestricted purposes, during such fiscal year;

(d) The expenses or disbursements of IRSA, for both general and restricted to particular purposes, during such fiscal year; and

(e) The number of individual members and member agencies of IRSA as of the date of report, together with a statement of increase or decrease in such number during such fiscal year, and a statement of the place where the names and places of residence (or principal office) of members may be found.

Such reports shall be filed with the records of IRSA and either an abstract or a copy thereof entered in the minutes of the proceedings of Annual Meeting of members.

ARTICLE VII

Committees of the Board of Directors

Section 1. Executive Committee. There shall be an Executive Committee which shall consist of officers and such other Board members as the Board may elect annually. Not

less than five nor more than eleven members of the Board shall serve on the Executive Committee. The Executive Committee shall set the remuneration of the Executive Director. Between meetings of the Board, the Executive Committee shall have and may exercise all of the powers of the Board. However, the Executive Committee shall not have authority to:

(1) fill vacancies in the Board or in any committee;

(2) fix compensation of the Directors for serving on the Board or on any committee;

(3) amend or repeal the Bylaws or adopt new Bylaws; or

(4) amend or repeal any resolution of the Board which by its terms shall not be so amendable or repealable.

Any action taken by the Executive Committee between meetings of the Board shall be reported to the Board at its next meeting.

Section 2. Nominating Committee of the Board. The Board of Directors shall appoint a Nominating Committee consisting of the Chair of the Board and three other Directors. The Nominating Committee may invite other Directors to suggest candidates for the Board. No one other than the Chair of the Board shall serve on the Nominating Committee for more than two consecutive years. The Nominating Committee shall present names of candidates for election to the Board to the Annual Meeting of individual members and shall nominate a slate of officers for election by the Board at its Annual Meeting. The Nominating Committee shall invite member agencies to submit names of candidates for election to the Board. The report of the Nominating Committee with its nominations for members of the Board shall be sent to all individual members at least four weeks before the Annual Meeting of members. Additional nominations may not be made at the Annual Meeting. In case there are more nominations than places to be filled, elections shall be by ballot. The ballot shall specify the source of each nomination.

Section 3. Audit Committee. The Board of Directors shall appoint an Audit Committee consisting of the President, the Treasurer, and two other Directors. The Audit Committee shall recommend an auditor for IRSA to be appointed by the Board, shall define the scope of the audit to be performed, and shall review the annual financial statements of IRSA prior to their submission to the Board. The Audit Committee may examine and consider such other matters relating to the financial affairs of IRSA as the Committee deems desirable.

Section 4. Other Committees. The Board of Directors, by resolution adopted by a majority of the entire Board, may designate and appoint other committees, each consisting of three or more Directors with the advice and consent of the Board. The Board may also by resolution create such special committees as it may deem desirable. The members of each special committee, who need not be Directors, shall be appointed by the President with the advice and consent of the Board. Each committee created pursuant to this section shall have

such authority as may be delegated to it by the Board in the resolution creating the committee. Ad hoc committees without independent authority may be appointed by the President.

ARTICLE VIII

Officers

Section 1. Officers. At its Annual Meeting, or at any adjournment thereof, the Board of Directors shall elect the following officers: a Chair of the Board or a President, one or more Vice Presidents. a Secretary and a Treasurer. Any such office not filled at the Annual Meeting or adjournment thereof, or a vacancy in any office, may be filled by the Board at any meeting. The Board may by resolution elect and define the duties of such other officers as it may from time to time determine. The Chair of the Board, President and Treasurer must be Directors. The same person may be elected to more than one office, except that the office of the President and Secretary shall not be held by the same person. All officers shall hold office for a one-year term or until their respective successors shall have been elected and shall have qualified. Any officer may be removed at any time for or without cause by the vote of the Board. Any officer may resign at any time by delivering a written resignation to the President or the Secretary of IRSA. Officers shall receive such salaries or other compensation as may be authorized by the Board.

Section 2. Chair of the Board. The Chair of the Board shall preside at meetings of the Board, shall be a member ex-officio of all committees and shall have other duties as may be prescribed by the Board.

Section 3. President of the Board. The President of the Board shall be the Chief Executive Officer of the Corporation, shall exercise the powers normally associated with the Office of President and shall have general supervision over the business of IRSA and over its several officers, subject, however, to the control of the Board. Except as otherwise hereinafter provided by these Bylaws, or by resolution adopted at any meeting of the Board, the President shall have power to sign for IRSA all deeds and other agreements and formal instruments, and shall be a member ex officio of all committees. The President shall serve as chief liaison between the Board and the Executive Director of IRSA. In the absence or disability of the President, the Vice President, or, if there be more than one Vice President, the Vice Presidents in order of seniority shall discharge the President's functions in whole or in part, as the Board may specify.

Section 4. Secretary. The Secretary shall cause true minutes to be taken and kept of all meetings of the Board and of committees of IRSA, shall have custody of the corporate seal, and shall have the authority to affix the same to any instrument requiring it, and when so affixed, to attest it. The Secretary shall notify Directors and alternate Directors, if any, of their election; shall, under the general direction of the President, prepare and present the business to be acted upon at meetings of the Board and of committees; shall distribute the minutes of each Board meeting to the Presidents and Executive Directors of member agencies; shall in general

perform all duties incident to the office of Secretary; and shall perform such other duties as may be assigned by the Board or the President. In the absence or disability of the Secretary, any Assistant Secretary shall have the powers and perform the duties of the Secretary.

Section 5. Treasurer. The Treasurer shall in general perform all the duties incident to the office of Treasurer; the Treasurer shall have oversight of the funds and securities of IRSA, shall have oversight of the disbursements of its money, and the maintenance of full and accurate accounts of receipts and disbursements in books belonging to IRSA; shall exhibit such books of accounts and records at the IRSA office to any of the Directors at any time upon request and shall cause the rendering of a detailed statement of the financial affairs of IRSA to the Directors as often as they shall require it; shall cause the deposit of the funds of IRSA in such banks or trust companies as may from time to time be designated by the Board, and shall cause the deposit of any securities of the agency with such banks or trust companies or in such vault or vaults as may from time to time be designated by the Board. The withdrawal of such funds or securities shall be made only on the signature or signatures of such one or more of the Directors, officers or employees of IRSA as may be designated from time to time by the Board for such purpose. The Treasurer shall perform such other duties as from time to time may be assigned by the Board. The Treasurer, if required to do so by the Board, shall give a bond for the faithful discharge of the Treasurer's duties in such sum, and with such sureties, as the Board shall require. The expense of any such bond shall be paid by IRSA. In the absence or disability of the Treasurer, any Assistant Treasurer shall have the powers and perform the duties of the Treasurer.

ARTICLE IX

Executive Director

Without prejudice to the complete authority of the Board of Directors to manage the affairs and property of IRSA, the Board shall employ an Executive Director, who shall serve at its pleasure. The Executive Director shall be the Chief Operating Officer of the Corporation and shall have general executive and administrative responsibility for the work of IRSA and for carrying out the policies and programs of the Board. Except as otherwise provided by resolution adopted at any meeting of the Board or the Executive Committee, the Executive Director shall have authority to sign agreements and other formal documents on behalf of IRSA.

ARTICLE X

Annual Convention

An Annual Convention, open to all the members of IRSA, and designed not only to forward the broad purposes of IRSA, but to serve the interests and needs of its member agencies and other organizations engaged in work with immigrants, shall be arranged by the Board of Directors.

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ARTICLE XI

Notice

Section 1. Notice. Notice of all meetings of the Board of Directors shall be given to each Director and each alternate Director, if any, by mail, postage prepaid, at least seven days before the meeting, or by telegraph, telephone or fax, charges prepaid, at least five days before the meeting. Notice of all meetings of members shall be given by mail, postage prepaid, to each individual member and member agency not less than ten nor more than fifty days before the meeting. Notice of all meetings of members and Directors shall state the time, place and purposes of the meeting.

Section 2. Waiver of Notice. Whenever any notice is required to be given by applicable law or under the provisions of the Certificate of Incorporation or Bylaws of IRSA, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the required notice.

ARTICLE XII

Fiscal Year

The fiscal year of IRSA shall be the calendar year October 1 to September 30.

ARTICLE XIII

Indemnification

To the extent permitted by applicable law, IRSA shall indemnify any person made, or threatened to be made, a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a Director, member or officer of IRSA, or serves or served in a similar capacity another corporation, partnership, joint venture, trust or other enterprise at the request of the Board of Directors of IRSA, against judgements, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, for which such person may be or become liable as a result of such action or proceeding and to the extent not covered by such person's own insurance. The indemnification hereby granted shall be in addition to and not in limitation of any other privilege or power which IRSA may lawfully exercise with respect to indemnification or reimbursement of its Directors, members or officers. The term "person" as used in this article shall include the executor, administrator or other personal representative of a Director or officer.

ARTICLE XIV

Amendments

These Bylaws may be amended or repealed at any meeting of the Board of Directors or of the members, provided that written notice of the proposed amendment or repeal has been sent to each Director or member in accordance with the notice provisions set forth in these Bylaws.

Enclosure 2

THURSDAY, MARCH 30, 1995 THE WASHINGTON POST

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Nancy R. Axelrod

Behind the Boardroom Doors

The actions of nonprofit boards are increasingly likely to be held up to public scrutiny.

The millions of Americans who serve as board members of nonprofit organizations should pay close attention to the media's unprecedented coverage of the leadership change at the NAACP and the fraud and conspiracy trial of William Aramony, former president of United Way of America. The recent history of the NAACP is a case study of how a powerful and entrenched governing board can undermine a venerable organization. The Aramony case, by contrast, reveals the problems that can arise when a powerful CEO has virtually unlimited control over a complex, multimillion-dollar charity.

Nonprofits—from arts and cultural organizations to trade associations—have played a vital role in our history. They enrich the cultural fabric of society, deliver education, health care and social services and provide an impetus for change. Until recently, however, the boards of nonprofit organizations have been largely invisible—working quietly behind the scenes. This is changing.

The United Way crisis and, more recently, the NAACP's leadership problems have pushed boards into the spotlight. When allegations of misconduct first surfaced against Aramony in 1992, people asked, "Where was the board?" At his trial, government prosecutors have suggested that the board, which included the chief executives of some of America's best known corporations, was "duped." During the NAACP's recent crisis, national attention was focused on the 64-member board; the outcome of a close election for chairman made front-page headlines.

BY OHLSSON

Because nonprofit boards have operated outside the public eye for so long, many of their members don't realize that their actions are increasingly likely to be held up to public scrutiny. High-profile national stories have caused many local journalists to look more critically at organizations operating in their communities. City and state governments are becoming more aware of the impact of large nonprofit institutions, which are often major regional employers and property owners. As governments seek justification for revoking the tax-exempt status of many types of nonprofits, journalists and government leaders are asking more questions about who actually benefits from their activities.

Organizations that rely on public goodwill to achieve their missions have few assets more precious than a positive public image. Board members should consider carefully the possible public repercussions of the decisions they make on issues such as salaries, legal settlements and travel expenditures. All board members should be aware of such issues, and boards should make decisions that the members will feel comfortable about explaining and defending in public.

Governing a nonprofit organization—particularly a large and complex one—requires two engaged, interdependent parties: a chief executive and a governing board. The chief executive depends on the board to delegate the authority to implement policies and manage the day-to-day operations of the organization. The board depends on the chief executive to build an effective staff and give the board much of the information it needs to carry out its oversight responsibilities.

There are many ways either party can can default on its responsibility, as we have seen with the NAACP and United Way of America. Boards sometimes fail to give executives sufficient authority to manage the organization. Executives sometimes give boards insufficient, incomplete or even deliberately misleading information. A board may defer to a powerful CEO without asking necessary questions or monitoring sensitive issues. Or the board and executive may engage in a power struggle over issues of direction, policy or administration.

Strong internal controls help avoid crisis. Chief executives and volunteer board members will inevitably incur costs in the course of their work that should be disclosed, monitored and subjected to an approval process. Most nonprofits have financial and management controls in place that apply to expenses and reimbursements incurred by staff. Similar policies should be in place to apply to the CEO and the board, and they should be scrupulously followed.

The chief executive, along with the board chairman, should also ensure that board members have enough information to understand the organization's financial condition. Too many board members are unaware of key financial transactions or the true financial picture of the organizations they govern. Board members sometimes don't understand or take time to read financial statements. Boards sometimes delegate financial oversight to a finance or executive committee.

As the Aramony trial comes to an end and the NAACP begins a process of healing, board members should take note. Nothing can do more to maintain a robust and responsible nonprofit sector than the actions that board members can take to fulfill their roles of public trust and accountability. The stakes have never been higher.

The writer is president of the National Center for Nonprofit Boards.

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Board Passages: Three Key Stages in a Nonprofit Board's Life Cycle

By Karl Mathiasen, III

Number 7 in a series of publications of the National Center for NonProfit Boards

I.I. Meeting New Challenges: Evolution of the NonProfit Board

Boards of directors continue to be perplexing if essential parts of nonprofit organizations. Boards, after all, are required by law. One cannot start a corporation, profit-making or nonprofit, without an incorporating board. But the role of nonprofit boards is often unclear and their purposes elusive....

A Board must change and evolve as the organization changes and grows. The roles, functions, and membership need to be altered to meet the new challenges the nonprofit organization itself confronts....

Just as nonprofits pass through identifiable organizational stages, so do nonprofit boards. Three very different and quite distinct types of boards gradually and often quite belatedly develop as nonprofit organizations grow and change. The first of these is the organizing board, the second is the governing board, and the third is the institutional board. Undoubtedly after typical nonprofit boards as well as various permutations of these three exist, but these seem to represent three models that appear and reappear in the nonprofit world.

There are, however some caveats. The board- maturing process that I describe is not an inevitability. Organizations may develop differently, or their boards may stop at one stage or another. For example, organizations that remain unstaffed may experience few if any of the changes described below. Groups that operate in an alternative mode--collectives, for example--may also maintain a dynamic that is different and follow another path. Other boards may reach the governing stage and remain there quite happily. Still others may proceed to the institutional stage, but, lacking a clear sense of their purpose, return to the governing stage. Indeed because not all organizations desire or need institutional boards, achieving that final stage is not always necessary.

If the organization must serve a growing community, its board tends to become very large and may no longer be able to function like a governing board.Reshaping it is essential and in most cases, an institutional board is the result.

Regrettably the transition from one type of board to the next, and particularly from the first-stage organizing board to the second- stage governing board, can be unclear, painful, frustrating and laborious. If a board is to negotiate these transitions successfully, the organizational leaders must have a basic understanding of what is going on and of the changes that need to be made.

Leaders also need to take the time and be willing to address the issues that accompany the transition. That is why the transition may be delayed; it is hard for the organizational leadership to grasp what kind of change is needed and then to find the time to make the reforms....

When these leaders do understand that fundamental changes are underway and that the

board needs help so that it can develop, most leaders try to move the board from an informal to a much more formal institutional fundraising board. They would like to skip the difficult governing-board stage where power and authority are shared, probably for the first time, between board and staff. Unfortunately, one cannot successfully skip this stage.

The governing board model appears to be a necessary and often a prolonged, step towards the more formal institutional stage. It is at the governing board stage that board-staff distinctions become clearer and the board develops a sense of itself and its role.

Yet many nonprofit leaders find themselves frustrated when the board does not move quickly form one kind of board to the institutional board and carry out the fund- raising tasks that the leadership wants. If changing boards can be so painful, why bother with it? i believe that developing and clarifying the board's role is essential because the board of directors' involvement, commitment, sense of partnership, and strength make the critical difference in an organization's ability to continue and to grow. Strong boards that infuse membership with new blood on a regular basis are the constants and can provide the stability needed in organizational life. Moreover, only boards are capable of selecting new leadership, holding the organization accountable, and serving as the principal guardian of the nonprofit organization's welfare.

I trust that these brief descriptions of nonprofit board types will enable readers and organizational leaders to deal with some of the perplexities and frustrations that confront all of us as we try to make boards more effective.

2 The First Stage: An organizing Board of Volunteers.

The essential point is that organizing boards tend to take one of two forms: following boards or leading/controlling boards. Following boards are selected by a leader who wants a supportive board. They are usually small, often because the leader who invites the members to join does not really need or want a large board, one which might be unified and step out of its supportive role. These boards tend to be composed of those people the leader knows well and trusts and who have similar interests. Board meetings and relationships tend to be informal with members there to advise and to encourage.

Following boards normally share a strong commitment to the organization's purpose and probably more importantly, to the vision of its leader. Following boards are generally not task- oriented. Rather they join to support a leader who is deeply committed to achieving the organization's purpose. As a consequence of the strong role of the leader, following boards usually do not develop as intense a sense of ownership of the organization as the boards described below and do not usually play a significant role in fund-raising.

Leading boards may be small at the beginning and usually quite homogeneous and made up of like-minded individuals who are explicitly wiling to do the tasks, however mundane, needed to get the organization up and running. This type of board creates an organization and assume a strong and active leadership role.

As task-oriented boards, they quickly develop a strong sense of the organization: "We got it started, made it work successfully at the beginning and it is ours to do with as we see fit." Unlike following boards, leading boards generally play a major role in raising funds, which increases their sense of ownership of the organization.

Even when the organization grows, leading boards may wait some time before hiring any staff, both because the board members are attached to their volunteer work and because they are quite reluctant to share power and authority that has been theirs alone. This hesitation often delays hiring long after a staff is clearly needed.

When a staff person is finally hired, it is clear from the outset that this person is not the leader but an employee, someone who is expected to follow the board's lead and implement its mandates.

Inevitably the staff faces a difficult situation, particularly as board members often serve as volunteer staff members, thus both working for and supervising the executive. New staff leaders, even if they are willing to work hard, may have to wait for some time before they are trusted and can become effective executive directors. As long as founders remain on the board, progress toward significant staff leadership is usually difficult nd frustrating.

The Transition to a volunteer Governing Board

Despite the dramatic differences between these two types of boards, all organizing boards tend to be small, quite homogeneous, rather informal in operational style, and very committed to the purpose of the organization. But as the organization continues to grow, the organizing board itself begins to experience strains. Sometimes thee strains are brought to a head by a crisis--often a financial crisis or a struggle between staff and board leadership.

Leading boards, simply cannot cope with all the tasks and assignments that are expected of a significantly enlarged organization, and the board begins to look more to the staff to get the work done. Staff increasingly resents the leading board's interference, particularly individual board member's direct involvement in the organization's day-to-day work. Denied the role that it had played before, the board struggles to define what its new role should be.

The following board, on the other hand, finds itself being asked to do more than it ever bargained for or agreed to do. Instead of simply being cheerleaders, board members are now expected by the staff leader to become active fund-raisers, financial managers, planners, and committee chairs. The leader realizes that he or she needs help in managing and that the board can be and really must be useful if the organization is to continue to prosper and grown. The leader presents these new expectations to the board that simply does not want to change its role or its relationship to the leader. A process of serious renegotiation begins, often generating considerable tension and some mutual exasperation as the transition to a new board phase begins.

The transition from a following or a leading organizing board to a governing board is difficult for both board and staff. Usually the transition does not begin until organizing members begin to leave for one reason or another and new members join the board. new board members--who bring different experiences and new expectations--seem essential to this transition, which is one reason why an organization's bylaws should fix terms of office and limit the number of consecutive terms for board members.

Whatever the impetus, both board types see the need for change and the need to act "more like boards." for newer board members it seems that the old dynamic will never change, yet for most original board members the change can be unsettling because they do not understand what their new board roles or behaviors really are meant to be.

Older board members see the new people as different; women instead of all men, minorities, business people instead of community people, wealthy people rather than those of modest income. New people too wonder "are we tokens?" "What are we supposed to do with these strange people who don't really want to let us in to the real working of the organization?"

The Middle Stage: The volunteer Governing Board

What emergent vision is the organizing board trying to create? What perhaps most

characterizes the governing board is _for leading boards) the shift from staff-like tasks or a shift from cheerleading (for following boards) to governance of the organization. the board, accepts responsibility for helping to plan and execute the organization's work, for oversight of its finances, and, in general, for accountability for it s organizational integrity.

Between the board and the staff, a new and more balanced sharing of power and authority begins. The board chair and the executive director emerge as the principal leaders. As governing boards tend to be larger and more diversified, more board work is concentrated n committees and task forces and less work is done by the board acting as a committee of the whole. The board also accepts responsibility for ensuring that the organization has the resources it needs to operate.

Boards at this middle stage generally become larger, although the growth may be gradual. While most small boards come to realize that governing an organization requires more people to help carry out the board's responsibilities, the search for new members is often unfocused. Instead of carefully targeting the search for new members, too often there are rushed efforts to find "good people" or the "right names."

If the board recruitment and selection process is reasonably and thoroughly planned, the board becomes more diverse in order to ensure outreach beyond the homogeneous community that spawned it. Like-minded, similarly motivated, and-usually--socially unified boards consciously seek others who represent and relate to other groups and communities and who bring to the board's deliberations new and different points of view. Increasing the board's size and diversity can be difficult steps for boards to undertake and accept.

Committees become essential to effective board functioning. A planning committee takes on this work. Financial management becomes a principal focus for board activity. Finally, a development committee is formed to enable the board to play an increasingly significant fund-raising role, by developing policies, strategies, and schedules and participating personally in fundraising.

The staff leader finds that the transition to a governing board that really works--requires a substantial amount of his or her time.

If staff and board leadership is strong, however, the board may develop a strong, new workable dynamic within three years--but probably not much before. When organizational leaders decide that the board must change, they can become very frustrated when that change is so gradual--yet that seems to be the pattern.

It can be enormously helpful if, at this juncture, the board chair takes seriously the task of board development and begins to establish clear guidelines for the board. In addition, it helps a lot if founders agree to depart and if experienced board members who are accustomed to and expect different dynamics, are added to the board.

The Transition to the Institutional Board

The "governing board dynamic" takes hold and the board itself becomes more self-aware. This self-awareness is important because it can help the board understand that additional subsequent transitions may be needed.

But why must another transition be necessary? If the organization is successful and continues to grow, the board's important increases and the demands made of it increase. Raising funds from individuals often becomes the most important component o a mature organization's resource generation. This development in turn often means that the board's size must increase so that there are enough board member to do the fund-raising. Other reasons for adding to the board include the need to increase the board's representation from other communities and groups or to provide the broadened public

oversight and visibility that the expanded organization now needs.

Although some members may resist the idea of altering the board's role and adding new dimensions, the transition from a governing board to an institutional and fund-raising board appears to be less painful and traumatic than the initial transition from an organizing board to a governing board. First, the board understand both the needs of the organization and its own particular responsibilities and it often provides much of the impetus for change. Second, the recognition of the need for a major shift in the board's role is more mutual. Unlike the earlier transition from an organizing board, the board is not being asked to reorient its work completely and therefore the pain may not be so pronounced.

The Mature Stage: The Institutional and Fund-Raising Board

What are the characteristics of the institutional board? Mature boards are usually very large and while diverse, generally include more people who have the capacity to give or have access to funders and donors. This board gradually becomes more prestigious and more attractive to movers and shakers within the community. The board clearly accepts the role of fund-raising and often delegates governance of the institution to an executive or a management committee.

mature-stage boards often increase significantly in size to ensure that the added tasks--particularly fund-raising--can be undertaken. Major charitable, community service and arts organizations may have boars as large as 100, but a more typical board size would be thirty-five to sixty members. As the board focuses increasingly on fund-raising, it may also create auxiliaries such as friends or patrons or establish "advisory" committees to increase the organization's fund-raising outreach without having to expand the board even further.

In addition, organizations that seek large boards have by now established a pattern of growth and have demonstrated their staying power. People tend to see these organizations as important community institutions, ones worth supporting. Finally, a certain prestige begins to be associated with board membership as the organization develops an aura of success and stability.

Once a board reaches a membership of thirty--perhaps even twenty-five--its capacity truly to govern an institution is limited simply because the board has become unwieldy and hard to manage. ....At this point most institutional boards delegate responsibility for governance to a smaller group of twelve to fifteen members who are often called the executive committee. it then reports fully to the board as needed and appropriate.

mature boards clearly enjoy a relationship with the nonprofit organization different from that of the two earlier, less mature boards. Institutional boards normally have achieved greater recognition as important entities within their organizations; they have goals, targets, and expectations and they must reach their goals just like the staff and the executive. These boards function more independently and develop new and quite different relationships with the staff.

fund-raising probably has now become a major, if not the principal, focus of the board's activity.

Some Questions and Reservations

The three boards discussed above are typical of those that permeate nonprofit life, but they are not universal There may be significant exceptions.

First, organizing boards that are also strong leading boards and that already effectively raise funds for their organizations may go through a different board stage. They may be

able to move to something like the institutional and fund-raising board stage without assuming all of the characteristics of a volunteer governing board.

The second exception to the three stage board model includes advocacy and public interest organizations--which are constantly seeking changes in society--that may not be able to develop the third stage, institutional, fund- raising boards just described. It may be that the controversial nature of their work may not be attractive to large givers who will be willing to raise funds and support the organization's cause. Many cause-oriented groups have, despite their controversial nature, become well-recognized institutions in our society, and have proved capable of attracting board members and donors from one part or another of the political spectrum.

Third, it is not a foregone conclusion that boards of all nonprofit organizations need to achieve the third institutional board stage. There is even considerable resistance to both the idea that the progression described is inevitable and to the naming of these boards as "institutional boards." Both the concept of inevitability and the name apparently strike sparks because many public interest, cause-oriented organizations resist the idea of becoming institutions; they often equate institutions with bureaucracy--sluggish, hierarchical, unresponsive and inflexible. Surely there are exceptions., but organizations that stay around will tend to develop larger boards and act much like "institutional board," like it or not.

Conclusions

What does all of this mean? If there are three rather typical nonprofit board stages, as I suggest, what does that mean for nonprofit leaders and their organizations?

*Change as a Requisite

I believe that it enables leaders simply to understand that boards do and must change as an organization grows. It is very easy to become frustrated and discouraged unless one can see that the changes needed must be appropriate to the board's stage, and that these changes are difficult, requiring considerable time and effort.

*Board Roles

There is also a perplexing lack of clarity about what boards "ought to do," even when one can identify the organizational life cycle and the board's stage of growth. Why? Because boards are always evolving; as they age they discard and add roles and functions, and they may find it difficult to establish just the right relationship between boards and staff. Nevertheless, the three-stage process should help to clarify what generally can and cannot be done at any point in an organization's life.

*The Art of the (Institutional) Board
The large third-stage, institutional boards, seem so ideal but they present serious challenges to leaders of non-profits. The work of any board must convey the sense of a useful purpose. It is a difficult task for any leader to ensure that board members are usefully and vitally involved with the organization's welfare.

* Changing Memberships: The Key to a Board's Health

Finally, all of the above reemphasizes the importance attached to orderly rotation of board members. By laws should specify the length of terms and the consecutive number of terms a board member can serve. There are also losses in this process because boards lose the fine, dedicated people who started the organization and who carry its institutional memory. Change is essential. Only with fresh blood and a constant source of new energy can boards move reasonably easily through the phases necessary for the organization's growth and development.

Governance is Governance

A Follow-Up Interview with Ken Dayton

You have said that the responsibility for governance of an organization rests with the board and the responsibility for management rests with the CEO or executive director—the full-time, paid executive. Would you explain what you mean by "governance?"

DAYTON: First of all, governance is not management. Second, governance is recognizing the responsibility that, as a board member, you have to protect the long-range future of your organization and see to it that it fulfills its obligations to its constituencies, however defined. And by governance I mean that as a board member you have to see to it that the organization is well managed, rather than managing it yourself.

How do you compare the responsibilities of a corporate director with those of a non profit trustee?

DAYTON: A trustee of a not-for-profit organization has an obligation to be a volunteer in addition to governing, but otherwise the responsibility of a trustee and the responsibility of a director are absolutely identical. In both cases the individual is selected as a guardian of the constituencies that are affected by that organization, and the responsibility of the board in either case is to protect the long-range future of the organization and the long-range interests of all its constituencies. In both cases they go about fulfilling those responsibilities in almost the same way—by seeing to it that the board of directors or the board of trustees is enabled to fulfill its responsibilities to the organization.

And the CEO is the enabler and the manager not just of the organization but also of the board?

DAYTON: Exactly.

What are some of the things a CEO can do to enable a board?

DAYTON: I think number one is to make certain that the board understands what its responsibilities are. Then, however often the board meets over the course of a year, the CEO must make certain that he or she has enabled the board to fulfill all those responsibilities. If the board has a responsibility, as I maintain it does, to review performance, then the CEO must give it a report of performance and must let it question, challenge, criticize, or praise that performance. If its responsibility is to approve a long-range strategy, the CEO has to present the plan and then let the board make it its own. Again, let it question, challenge, criticize, amend, and finally approve the plan. In every single case, if the board is to do its job, the CEO must enable it to do so.

I think every board should annually look at its role and its relationship with management, and discuss with management the degree to which the board feels it has been enabled to fulfill its responsibilities. Several things can happen with such a review. For example, if the CEO hasn't done an adequate job of reviewing performance or allocating capital or whatever, then the board has an opportunity to say, "We wish you'd do more of that for us."

The role of the board is to institutionalize the concept, the genius that created [the organization]

Also, when such a review occurs, the board tends to look at itself as it would not otherwise and say, "Hey, you gave us that opportunity but we really missed it." A review helps to perfect the methods and systems by which the board operates and fulfills its responsibilities.

The third thing a review triggers is a greatly improved relationship between the governors and the managers, between the board and the CEO. I think that the most important dynamic in any organization is just such a relationship. The review process gets it all on a very discussible basis of "How can we do a better job together?" That's the secret of running an institution.

How does a CEO see to it that his or her organization has a good board?

DAYTON: I think it's clearly a shared responsibility. The chairman of the board has a major responsibility to build a good board. But I think that any CEO who leaves the building of the board entirely to the board itself will probably find that the board becomes weakened over time. I think that you have to work hard on the composition of your board. Previously, I was talking about the way in which you use the board and help train, educate, and involve it, but the way in which you constitute a board is equally important. I believe strongly that you have to go about it in a thoughtful, well-organized way.

The worst way to find board members is to say at a board meeting, "My gosh, we're short of trustees. Does anybody know anyone who would like to come on the board?" And someone says, "Well, I know old Joe or Suzy and he or she would be just wonderful." That's the kind of casual, buddy-boy, old-school system that results in a relatively complacent, compatible, and ingrown board.

What is the alternative?

DAYTON: I think the only way to go about it is to build a model board, to say, "What kind of a board do we really need for this organization?" That goes into how many executives you want, what kind of executives you want, what other kind of talent you want, and what kind of balance you want regarding age, sex, or ethnic background. If you know what you would like your board to look like, then you know what kinds of directors or trustees you need to seek out. You should always be building toward the future composition of the board.

How does a CEO begin achieving good balance on his or her board?

DAYTON: Each organization has to sit down and decide what characteristics it needs its board members to have. If you say, "We just want balance"—so many female and so many minority and so many of this or that—then you end up with a constructed, patched-together

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board that probably won't work very well. Diversity should be the goal, not representation.

If you have a board that is solely composed of CEOs of the 10 major corporations in your community, you don't have a very diverse board. If you have a board that's all male, you don't have a very diverse board. I don't think there's any set number of male and female board members you have to have, but if you look at the tremendous input women can make, and the point of view, the background, the experience, and the success they bring, you would conclude that you certainly don't want an all-male board. Going after diversity and specific kinds of input will solve the balance problem.

Are there any other considerations?

DAYTON: The other thing you need to think out clearly is what characteristics you want on a board. When I was a CEO, we listed the qualities that we were looking for in individual directors. Each director didn't have to have all of those qualities, but the board in total needs to have all of those various characteristics.

There are 11 necessary characteristics: integrity, wisdom, independence, a valid business or professional knowledge and experience that could bear on our own problems and deliberations, a track record of accomplishment with excellent organizations, an understanding and a general acceptance of our philosophy (which applies equally to nonprofits and corporations), an inquiring mind, a willingness to speak one's mind, the ability to challenge and stimulate management (a lot of people on boards don't want management to be better—they're perfectly comfortable with a hack because then they can [illegible] over their particular part of the operation and exercise their own pet hobby), a future orientation (I want people on the board who are looking ahead), and last—and so often I think particularly in nonprofits (it's a factor) no one thinks about—the willingness to commit time and energy.

when your board gives you trouble, the problem usually is with management, not the board

Accomplishing these goals is not hard to do. You've just got to work at it. Now if you're trying to hire a CEO, you're probably using a search firm, getting all kinds of input from the field, and taking action to find the best CEO you can. So why don't organizations use the same care and thought, the same degree of professionalism in selecting trustees as they do in selecting executives?

Trustees are ultimately responsible for an organization's welfare. CEOs come and go, but the organization and the board go on and on. No one should be asked to accept a board position unless you are confident that he or she can and will fulfill all the responsibilities of a trustee.

Do you think board members should have a set term of service?

DAYTON: I'm a strong believer in rotation, in bringing in a steady flow of new people, new talents, and new ideas. I think every director or trustee has a certain bell-shaped curve of contribution to make. It usually takes a year or two to really understand an organization and its needs, problems, and opportunities. After g[illegible] that understanding, a board memb[illegible]hen provides several years of ideas, input, and productivity.

But after a certain period of time, the organization would be better off with fresh, new ideas. I even more strongly believe in rotation for the chairman. In nonprofits, it's important that a board never be dominated by any one person or even by a small clique.

What qualities should a CEO look for in the chairman of the board?

DAYTON: I think the chairman ought to love the organization more than anyone else does. Too many take the chairmanship because it's their turn or because they like the prestige, rather than because they're determined to make the organization even better.

the chairman ought to love the organization more than anyone else does

I think the chairman should have two important qualifications. First, the chairman ought to be a good partner to the CEO. The chairman should spend time trying to help that person do his or her job well. The chairman, as the alternate spokesman of the organization, should try to build the CEO and bask in the reflected glory.

Second, the chairman should have the competence to handle the job of heading the board. The board needs the CEO to come up with programs, ideas, recommendations, and so forth, but then the chairman must make certain that management has built an agenda that will help the board understand the situation and fulfill its responsibilities.

You have said that boards always tend to fill management voids. Why?

DAYTON: Over long experience I've found that for any void that management leaves there will always be some board member who either knows how to do that job, make that decision, or perform it better than management does. Or there will be a board member who has a particular, specialized expertise and interest in a particular subject. I once saw a corporation in which the CEO and the top financial officer disagreed about how to go about doing some financing until one of the directors, who had expertise in that area, stepped in and told them how to do it.

It can work exactly the same way with nonprofits. If management is floundering or hasn't covered certain bases, you'll find somebody on the board who is an expert in that field who'll tell management how to do it. That person is very capable of taking over the management of that function. To me the trick, if you're the CEO, is to make sure you don't leave any management voids. Every time the board gives you trouble about something it's probably because you haven't figured out how to handle that responsibility. So when your board gives you trouble, the problem usually is with management, not the board.

How does a CEO keep the board from taking over responsibilities that properly belong to management?

DAYTON: I'm all for going to the board and saying, "We'd like your thoughts about this problem that we haven't been able to solve." But once you get the board's idea on that subject, you should say, "We'll come back to you next month with a recommendation."

Then the ball is back in your court, and the board is put back into its position of governing rather than managing. It's a matter of benefiting from the board's expertise and connections while maintaining the responsibility and control necessary to keep you in the driver's seat.

What happens if the board insists on interfering?

DAYTON: Anytime you've got a board that is, in essence, managing the institution, the CEO is merely a figurehead and the organization is inevitably headed for trouble. A CEO should never say, "Well, the reason this failed was that so-and-so on the board did that. I knew at the time it wasn't right, but who am I to say anything?" In my opinion, a person who says that is a very weak executive.

make certain that the board understands what its responsibilities are

How about the reverse of that problem, where the CEO is a person of great vision who dominates the organization's board and staff, but is not a terribly effective manger?

DAYTON: Not everything has to be institutionalized. Sometimes a dynamic person can accomplish a lot of good in society all by himself or herself or with a small band of people, but then everyone should recognize that when that person is gone the organization ought to fold up because it hasn't been institutionalized.

The role of the board is to institutionalize the concept, the genius that created it. It shouldn't make any difference whether the person who started it is there or retires or is hit by a car. Part of the board's responsibility is to see to it that the future of the institution is protected. This means you must have backups, you must have successors, you must have people in training, you must have the institutional capacity to carry on. A CEO who cannot develop a successor team that will do better than he or she is doing has no business being a CEO.

What if a CEO would like to involve the board in more decisions, but finds that board members are reluctant to be active?

DAYTON: CEOs who have that type of board have no one to blame but themselves. Now, you may have walked into that situation. But no one should accept a CEO position unless he or she has got a good board or knows how to build a good board, and has a chairman who is willing to work to build one.

I think that too many CEOs in the nonprofit sector don't even want a good board. They say, "I don't want anyone looking over my shoulder. I don't want anyone second-guessing me. I don't want anyone reviewing my performance."

But if they really want to be good, if they really want to grow, if they really want to build that institution into a dynamic factor in society, then they will soon discover that they can do it so much more effectively if they have a dynamic, exciting board. Not only will it help them do their jobs better but it will make them better individuals because of that challenge and stimulation. □

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Budgeting and Financial Accountability

By their very nature, voluntary associations operate with public support and therefore have a responsibility to spend their money judiciously and to report on their expenditure to the public.

In a speech entitled "Responsibility of the Board Member of Voluntary Health Agencies," Marion Folsom, former Secretary of the U.S. Department of Health, Education and Welfare, said:

> It is definitely the responsibility of the individual lay Board Members to insist that their agencies cooperate in this program. The businessman can be especially helpful here. He should be sure that his agency is determining the cost of each of its services and is giving complete information to the public.

An organization that handles more than $5,000 should have an audit, and therefore is bound by the accounting practices spelled out in the various audit guides published by the American Institute of Certified Public Accountants. For example, there is an audit guide for health and welfare organizations. This guide is a companion piece to the *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations*, published by and available from the National Assembly, National Health Council, and United Way of America. Ac-

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cording to the *Standards* foreword: "Adoption and use of the standards presented in this publication will enable voluntary health and welfare organizations to report their income and expenditures uniformly and in terms the contributing public can understand." The other audit guides likely to be of interest to various readers are: *Audits of Colleges and Universities; Hospital Audit Guide (2nd Edition);* and *Audit of Certain Nonprofit Organizations Including Statement of Position 78-10.*

Even if your organization is not required to have an audit, you should consult an auditor to determine what requirements or practices are necessary to protect yourself, the organization, and the public.

In this chapter it will be assumed that your operation is sufficiently large to be audited and that there is probably a need to delineate the separate roles of the board and staff.

The standards are obviously important and provide substantial benefits for individual agencies and the voluntary field in general. The standards are appropriately designed to provide effective and uniform reporting to the public. However, they do not provide the basic information needed to effectively manage an agency. Thus, the system must be supplemented if a manager is to have the information needed to control and manage the agency and if the board is to be able to follow financial developments.

For example, the standards will provide the organization and the public with information about the organization's proportional expenditures in certain fixed functional categories such as community services, public health education, and fundraising. But the manager and board will need to know more specifically how the money is being spent within the agency for specific program and development activities. Within professional education and training, for example, they'll need to know what has been spent for nurses' seminars, traineeships, consecutive case conferences, and so forth. The "line" items (salaries, rent, professional fees, and so forth) required in the standards are necessarily broad so as to apply to many different organizations, and in that regard, too, they have to be supplemented.

Budgeting in voluntary agencies is always a frustrating process for financial and business people because it's difficult to move back the timetable so that a realistic budget will be at hand well before the beginning of the fiscal year. The income of an agency is often so uncertain that it's difficult to forecast before the end of one fiscal year and the beginning of another. Ideally, the closest one can come to an intelligent timetable is to have a budget prepared two or three months before the next fiscal year. Earlier projections are, of course, possible and often necessary for grant applications, United Way presentations, and other purposes, but generally a firm budget isn't in focus until very close to the beginning of the fiscal year.

Without getting into an exhaustive review of budget-making, it might be useful to comment briefly on the process of developing income and expense projections. Usually, leaders of voluntary operations are so close to the cause and so overwhelmed with how much needs to be done that they will overestimate income

and underestimate expenses. The hardheaded realism of the treasurer and the finance committee is essential as an offsetting influence.

Income projections should be based on a practical and objective analysis of current sources of income, including a source-by-source and gift-by-gift review. This not only makes for practical budgeting but also provides sensible preparation for the degree of work necessary to renew gifts and grants and find new money. It's essential not to project substantial new income, or at least not to count on it, to cover fixed expenses. The usual approach for nonprofit agencies is to hope so desperately for new income that it's counted in the budget; then, when it doesn't materialize, the agency ends up with a deficit or horrendous cutback. The wiser approach is to have an opportunity for budget revision during the year to allow additions according to new income produced.

If you have a staff, expense projections are usually developed by the staff director. Here the incoming president should be carefully consulted and, of course, the treasurer and finance committee will be closely involved.

It is important that the finance committee never be allowed the authority to make decisions that rightfully belong to the executive committee or the board of directors. Many finance committees, in their efforts to cut or control expenditures, will make decisions about what activities should stay or go, which is beyond their authority. They should say to the president, staff, and board that the appraisal of income projections will not sustain the expenses budgeted. Then, if the board agrees with the finance committee's figures, it is up to the board and staff to decide where the cuts will have to be made.

The budget should be prepared early enough so that the full board of directors, or at least the executive committee, can be involved in its review and approval before the beginning of the fiscal year.

The format for the budget should include at least the following:

- a narrative summary of the year ending and the year ahead
- a five-year review of income and expenses
- a comparison of working fund activities and balances for the closing and prior years
- a proposed budget including, for each line item, the prior year's budget, the prior year's actual expenditures and income, and the recommended allocation for the coming year.

You will note that a narrative summary is recommended. I worked with one treasurer for six years and we had a perfect relationship, except once a year we would have our annual set-to over whether I would be allowed to do a narrative summary. This clashed with his banker's approach, but I knew the narrative was the only way that many board members would really grasp what the budget picture was all about.

The first item in the budgets I prepared for the American Heart Association and Mental Health Association was an estimated dollar value of the volunteer time contributed. It helped put the other budget items, particularly staff salaries, into perspective. My goal was to constantly increase the ratio of contributed time to staff salaries and other expenses. Although there are few comparisons available, I feel that a 5 to 1 ratio represents effective use of volunteers in relation to staff time. Obviously, this applies more to cause-oriented membership associations than to direct service organizations, but the exercise helps all nonprofit agencies to think hard about volunteer utilization.

It's important to put a good deal of information into the budget, including the detailed breakdown of the various line items. For instance, within the line item of employee costs, it is important for the board members to know the relative costs of basic medical, major medical, retirement, social security, unemployment insurance, and any other benefits that might be provided. Most board members won't want to get into that much detail, but at least it's there.

Budgeting dollars is only part of the necessary budgeting process. Budgeting staff time is perhaps even more important. Just as dollar resources have to be carefully directed toward the priorities determined by the board, so, too, must staff time. This sounds much more complicated than it really is. It's simply a matter of identifying the number of staff weeks that are available for actual work and matching these to the ongoing activities and special projects. If time sheets are coordinated with this, it's easy for a staff person to indicate the specific activities and projects to which time was devoted during the day. At the end of a month or quarter or year, it's possible to see if the staff time was actually spent in the patterns and on the priorities intended. This is an important way to help board and committee members to better grasp the current level of commitments. Otherwise, in the absence of this kind of specific information, boards and committees are almost too ready to add new projects or to assume that what they decided was priority is reflected by allocation of resources.

In addition to the board's own time, dollars and staff time are the two basic resources available to the board. They must be carefully measured and metered if they are to be directed in ways consistent with the agency's predetermined goals.

An organization should produce a monthly income and expense statement, balance sheet, and budget status report. These should go to the board of directors and to the executive committee in advance of their meetings. Copies should also be sent monthly to the finance committee.

The audit should also go the board with ample opportunity for discussion. At least some members of the board should fulfill the functions of an audit committee. Some organizations have a separate audit committee and others combine this with the work of the finance or executive committee.

The accounting firm of Price Waterhouse has an excellent publication called "The Audit Committee: The Board of Trustees of Nonprofit Organizations and the

Independent Accountant." The functions of the committee responsible for the audit are described as follows:

> (1) Review of the financial statements with the independent accountants prior to recommending approval by the Board. The purpose of such a review is to determine that the independent accountants are satisfied with the disclosure and content of the financial statements and to obtain sufficient information from the auditors to facilitate analysis of the financial statements submitted to the entire board of trustees.
>
> (2) Appraisal of the effectiveness of the audit effort. This includes a discussion of the overall approach to and scope of the examination, with particular attention focused on those areas where either the committee or the independent accountants believe special emphasis is desirable or necessary. The responsibility for determination of the scope of auditing necessary for the formation of an opinion on the financial statements resides with the independent accountants, and that decision must be left to them. For this reason, the committee should not ask for nor be given detailed audit programs.
>
> (3) Determination through discussions with the independent accountants that no restrictions were placed by management on the scope of the examination or on its implementation. It is often appropriate for management representatives to allow the committee to meet alone at some point with the independent accountants. This is not intended in any sense to reflect adversely on the integrity of management; instead, it provides an additional margin of security in that there will be an opportunity for a complete interchange, without the inhibitions or restrictions that might exist if members of the management team were present. It also establishes for the record that the independent accountants were presented a chance to discuss with the committee any topics they might choose.
>
> (4) Inquiry into the effectiveness of the organization's management of financial and accounting functions, through discussions with the independent accountants and appropriate officers of the organization. Particular attention should be paid to the adequacy of internal controls over contributions and other sensitive areas.
>
> (5) Review of reports prepared by the independent accountants discussing weaknesses in internal control, organizational structure and operations and containing recommendations to improve such weaknesses. There should be careful consideration of the action taken by management on the independent accountant's suggestions.

> (6) Recommendations of the appointment of independent accountants for the ensuing year. The actual appointment of the accountants should remain the responsibility of the full board. Management, through its day-to-day dealings with the independent accountants, normally is in the best position to evaluate the services provided, and its input to the committee should be given careful consideration when nominations for independent accountants are being considered. On the other hand, the committee should be certain that management's recommendations are objective and not designed to serve its own self-interest.*

One of the problems for both boards and staff is the need for several different kinds of financial statements: for example, (1) those required in the standards, (2) those developed for management purposes, and (3) additional statements in a format required by governmental bodies, the United Way, or others.

I reconcile the requirements for different financial reports by starting with the system and information I need to manage the agency. I make sure that this is not incompatible with the standards and that my year-end reports can be easily recast into the format required by the standards. Similarly, the records can be recast to provide special information required by the finance committee, governmental agencies, foundations, and others. But the basic point is the need for a system which is conducive to sound day-to-day management.

In an understandable preoccupation with meeting the required accounting standards, too many agencies are trying to operate with the information that comes out of that system, and it just isn't adequate.

Operating and reserve funds that are available for short-term investment should be invested in savings accounts, certificates of deposit, treasury bills, and certain categories of commercial paper. They should not be invested in common stocks. This includes all funds needed for operations or considered ready reserves.

When common stocks are received as current contributions and are considered part of operating funds or ready reserves, they should be sold at time of receipt. If the organization is fortunate enough to have endowment funds, these funds should be managed by a major financial institution selected by the finance committee and approved by the board of directors. The investment policy should be established by the board. This can include a "combined income" or "total return" plan whereby the association, in consultation with the financial institution, establishes a fixed income that will be drawn from both income and principal. This allows for investment of some substantial part of the fund in common stocks as a hedge against inflation. The finance committee should do an annual review of the fund, and members of the finance committee should be readily available to consider special advice from the financial institution.

* Reprinted from "The Audit Committee" with permission from Price Waterhouse.

In thirty years of nonprofit agency administration, I have had some pretty rude awakenings and learned some pretty sad lessons. Let me summarize these lessons from the school of financial hard knocks. The lessons and the consequences apply to both board and staff.

- **Budget realistically.** It's too easy to get carried away with unduly optimistic income projections and unrealistic expectations. The resulting deficits and the horror of the budget cutbacks—particularly those which involve personnel—gradually teach the lesson that it's better to face reality and disappointment during the budgeting process than later.
- **Get regular monthly reports and study them carefully.** These reports should include at the very least the income and expense statement, balance sheet, and budget status report. A situation can change rapidly, and unless caught early it is not reversible.
- **Be sure that the reports are accurate.** This may seem obvious, but I have lived with and through situations where, because of switchovers in accounting systems or problems of personnel in the accounting area, or just a plain poor accounting staff, reports have not been reliable. It's easy to assume that the staff director has a close enough view of the organization that the reports are not far out of kilter. Don't believe it! If there is any indication that the reports are not accurate, get that situation straightened out fast.
- **Insist on understanding the financial picture and the reports.** It's better to look silly than not to pursue a part of the financial picture or report which you don't quite understand. It's not sufficient that the executive committee understands it or the treasurer or the accountant. The board members are ultimately responsible, and *you* have to understand it. Staff and board should be sure that the books are organized in such a way that they help the staff director manage. It's easy to assume that by meeting the accounting standards or by supplying the finance committee with what it wants, there are enough financial reports and information necessary to manage the agency. Do it in such a way that the figures can easily be recast to satisfy the other requirements. Equally important is the need to be certain that the reports are in a form that the trustees can understand and that the trustees feel free to ask questions.
- **Establish a close working relationship with the auditor.** For the staff, day-to-day access to the auditor is essential. Provide a realistic sum in the budget over and above the cost of the audit so that the staff director can feel free to consult regularly with the auditor on many financial management considerations.

It's probably not practical for the board to work with the auditor, but the finance committee certainly should. If there is no finance committee then the auditors should meet annually with the executive committee or board. It has always been my practice that at least part of that annual session of the finance committee and auditors is conducted in an executive session (without staff present). That bothers some executive directors and even some finance committee heads, but in a nonprofit organization it's too easy for the trustees to get far removed from understanding the financial side of the enterprise. It's important that at least those trustees who serve on the finance committee have an opportunity to learn firsthand that there are no barriers to getting the frank opinion of the auditors about the financial statements, internal controls, and the degree of cooperation given to the auditors.

- **Involve the auditor in establishing, or at least approving, your internal systems, including controls.** It's not enough to assume that the auditors are satisfied with your systems and controls simply because they provide you with a clean audit. They may be assuming too much, and, because it is essential that this area be properly organized, it is wise to involve them in setting up the system or at least regularly examining it in detail. Although these functions are usually delegated to staff, the board must be certain that they are fully and regularly carried out.

- **Make the most of the interest and knowledge of the treasurer and chairperson of the finance committee.** They can help tremendously in interpreting agency operations and finances to the board of directors. They will be useful in handling short-term investments or helping line up bank loans during low cash flow. But, most of all, you will need their hardnosed, pragmatic, conservative fiscal judgment. They often provide unwelcome advice, but for that very reason it's important to have it immediately at hand.

- **Involve the key volunteer leaders in the development of the budget.** The budgeting function is often seen as an internal staff responsibility, but the person who will be serving as president when that budget is in effect can feel thwarted if he or she doesn't understand the budget and hasn't had an opportunity to see that it reflects priorities as the president and board perceive them.

- **Recognize how easily the budget can thwart or contradict the board's decisions on priorities.** The board can go through an elaborate process of determining new priorities, and yet if the budget follows the same

old pattern, the resources of dollars and staff are not likely to be converted to the new pattern of priorities.

- **Provide for some cushion in the budget.** I know from experience how important it is. It's so hard to cut a proposed budget back to fit realistic projections of income that I am almost never able to build in a 10 or even 5 percent cushion. On the other hand, I know that it is not possible to anticipate fifteen months in advance what emergencies will occur in the following fiscal year. A budget should have a contingency factor of 5 to 10 percent to be allocated, in small amounts, by the executive committee or board of directors for the unanticipated needs that arise during the year.
- **Provide for some basic reserves.** Nonprofit agencies should have reserves equal to at least one half of one year's operating expenses, though not greater than one year's operating expenses. This provides funds during low cash flow, a cushion against the almost inevitable occasional deficit, and some breathing room for emergencies. All this, of course, is in addition to fulfilling the basic purpose of a reserve—to help the agency survive a truly catastrophic period.
- **Don't switch accounting systems until you are really on top of your information.** There is always a temptation to help solve a current accounting problem by moving to a new system. My experience has been that you had better be very certain that you are getting accurate information from your current system before you start major adjustments. For example, I've seen a number of agencies run into terrible difficulty during a transition to computer operations. It's essential to be getting accurate information from your current system before and until the new system is functioning fully. It happens too often that board members who come from sophisticated operations will want to modernize the operations sooner than the staff is ready. They'll graciously offer to have their own organizations provide some of the equipment or computer time and people who don't know very much about the operation will come in on a volunteer basis. I've even seen organizations switch over to an available software package largely because it is available and seemed to work for someone else without adequate consideration of whether it really fit. I had one board member send me to a week's training school which turned out to deal almost exclusively with large mainframe computers and other equipment utterly beyond our needs and finances.
- **Realize that voluntary agencies are never going to get rich.** Your people will sometimes wonder when that day will come when the agency won't be living hand-to-mouth or be facing an imminent financial crisis. I don't mean to unduly discourage you, but I don't think

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that the really effective voluntary agency dealing with a major public problem is ever going to be comfortable. The needs and pressures to do even more will always outweigh income. At least I know it's a way of life and I'm not periodically disappointed that the tables haven't yet been turned.

- ***Remember that deficits are hell!***

This chapter has not attempted to describe the sophisticated procedures appropriate for many organizations. They can be found in *Accounting Guide* and *Budgeting Guide*, published by the United Way of America. Many voluntary organizations are as elaborate and sophisticated as most businesses in their approach to financial planning, management of cash, decentralized budgeting, profit centers, and computerization of data that can provide trustees and staff with every possible analysis of financial operations and trends.

My purpose here is to try to provide you as a trustee with an understanding of the basic functions you must fulfill. However large or small the operation and however much sophisticated equipment is available to you, it still comes down to "What am I accountable for?" And at the top of the list is stewardship.

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The Financial Responsibilities *of* Nonprofit Boards

An Overview of Financial Management for Board Members

by
Andrew S. Lang

The mission of the National Center for Nonprofit Boards (NCNB) is to improve the effectiveness of the ıore than one million nonprofit rganizations throughout the United States y strengthening their boards of directors.

To carry out its mission, NCNB rovides several programs and services to oard members, chief executives, and other onprofit leaders. Specifically, NCNB:

- Publishes booklets and other material related to nonprofit boards. By the end of 1993, nonprofit leaders had purchased more than 225,000 copies of these publications, making NCNB the world's largest publisher of material on nonprofit governance.
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NCNB received a lead grant from the W.K. Kellogg Foundation and continues to receive grants from corporations, foundations, and individuals. Income from the sale of publications, fees for meetings and training programs, and dues from NCNB members are also important sources of financial support for NCNB and its activities.

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This publication was produced with support from the David and Lucile Packard Foundation

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The FINANCIAL RESPONSIBILITIES *of* NONPROFIT BOARDS

AN OVERVIEW OF FINANCIAL MANAGEMENT FOR BOARD MEMBERS

by
Andrew S. Lang

NATIONAL CENTER FOR NONPROFIT BOARDS

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that neither the author nor the publisher is engaged in rendering professional opinions. If such opinions are required, the services of a certified public accountant or attorney should be sought.

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INTRODUCTION

Individuals who join the board of a nonprofit organization may think of their responsibilities in terms of how much money they should give or what committees they will serve on. They may not realize that a board member's responsibilities encompass far more. Board members are responsible for the corporate survival, financial viability, and program success of the organization. Most important for purposes of this booklet, they have a fiduciary responsibility.

The concept of fiduciary responsibility—a trust held for the greater community—goes back before modern times. Throughout history, from ancient Athens to the American frontier, individuals in the community have been selected to protect the common good—to make and enforce laws, spend public funds, or care for the sick. Today's board members, as custodians of something of value to the community, have a similar role.

Board members must understand the issues important to financial integrity and solvency, safeguards and procedures to protect the organization, and signs of financial trouble. Armed with this knowledge, board members will be able to protect and enhance the nonprofit organization's capacity to serve the community.

I. Financial Questions Board Members Should Ask

All nonprofit board members share certain financial concerns that involve the basic health and welfare of the organization. An effective board member should raise the questions listed below at least annually:

A. *Do we have a sound financial plan?*

Many nonprofits try to do too much. A sound strategic plan linked with a realistic financial plan will ensure that the organization is using its resources effectively. As part of the planning process, the board should work with the staff to identify the organization's mission, develop a strategic plan to fulfill that mission, and identify and select programs to achieve strategic goals and objectives.
The planning process should include:

- An evaluation of existing and potential financial resources;
- An examination of internal and external environmental forces affecting the organization and its funding;
- A review of the cost and effectiveness of existing programs; and
- An examination of alternatives and their financial implications.

Once the board has determined programs, time lines, and basic costs, those responsible for implementing the programs should be assigned the task of developing the budgets needed to get the job done. Budgets should cover at least one year, and preferably two or more. The benefits of multi-year budgeting easily offset the time required to implement it. Given the great importance of this process, sufficient time and training should be provided to see that the job is done right. Many nonprofits allow three to six months to develop their budget. This process should not be hurried—too much is at stake.

B. DO WE HAVE ENOUGH CASH?

The availability of sufficient cash is critical to any nonprofit operation—cash is the fuel on which the economic engine runs. Typically, a nonprofit organization will hold sufficient cash in a checking account to pay salaries and expenses for one month. If there is not sufficient cash in the bank, the availability of certificates of deposit or other investments that can readily be converted into cash can allay concerns. Some organizations maintain a line of credit or other borrowing ability to assure that they have enough cash available.

If an organization is short of cash, it should project the amount of cash that should be on hand at the start of each future period, how much will be received or spent during that period, and what will remain at the end of the period. Cash-flow projections are usually done on a monthly basis, although some organizations will project weekly or even daily if they are truly cash poor.

Many organizations use computerized financial spreadsheets to maintain 12 months of cash-flow projections on an ongoing basis. Because most nonprofit organizations' cash-flow patterns are similar from one year to the next, studying cash-flow history can also help financial managers to estimate the current year's cash flow more accurately.

Cash-flow projections also enable the organization to plan for the purchase of new equipment and other essentials.

C. ARE OUR RESERVES SATISFACTORY?

Nonprofit organizations should monitor their financial strength to be certain that they can continue to perform their important services whatever problems the organization faces or whatever happens to the economy as a whole. One gauge of financial strength is the level of reserves of the organization.

Reserves can be defined in different ways. The simplest definition is assets (or things of value) the organization owns, minus the organization's liabilities (or debts). The remainder is the fund balance, or reserve.

There are problems with this approach. Reserves are needed when a financial crisis occurs. Inventory and fixed assets, such as furniture, equipment, or buildings, while useful, usually cannot help avert a

will not necessarily make a current crisis worse because they are paid off over a long period of time. Also, certain funds held by nonprofits are restricted in how they may be used and will not be available in a crisis unrelated to their restricted purpose.

Reserves might best be defined as those unrestricted assets that are reasonably liquid, minus those liabilities that must be paid off fairly soon. Therefore, a more conservative definition of reserves would be the organization's current assets (minus inventory) less its current liabilities.

Nonprofit organizations can build their reserves only by running at a surplus. An organization with accumulated reserves will have funds available to invest in equipment and property, apply to program expenses, and protect the organization during periods when revenue falls below expenses. Net income builds a surplus, sometimes quickly from such events as a major fund-raising campaign, but usually slowly over time.

The level of reserves that is appropriate varies from organization to organization. Most experts agree that if one year's operating expenses are "in reserve," the organization is in a strong financial position. Most organizations, however, are not able to achieve this level. Each organization should take into account its own circumstances, considering cash flow, capital requirements, etc., and set a reasonable reserve level. The organization should build to this level over five to ten years by funding reserves as a line item in the budget.

Naturally, organizations that have restrictions on the use of certain funds, such as an endowment fund that allows use of only the income and not the principal, would require more substantial reserves to be able to continue functioning effectively.

D. ARE OUR MAJOR EXPENSES IN LINE?

If the organization's expenses are rising or falling at the same pace as its revenue, then the expenses are said to be "in line." Problems generally arise when expenses are rising more quickly than revenue; if the organization is not already running at a deficit (and consuming its reserves) then at some point in the future, it will be.

Similarly, certain items of expense are directly related to certain sources of income. For instance, it is important to ensure that publication expense is not running far ahead of publication revenue.

Also, because salaries are usually one of the largest expense areas for nonprofit organizations, special attention must be paid to keep them in line. A useful comparison can be obtained by dividing total salary by total income for both current and historically comparable periods. The idea is that the ratio of salary to income should either improve (get lower) between periods, or stay in a range appropriate to the organization.

E. ARE WE MEETING OUR BUDGET?

This question goes to the heart of the difference between for-profit and nonprofit organizations. A for-profit's financial success is measured by how much profit it earns—the more the better. The same cannot be said for a nonprofit organization.

Although a nonprofit does need to build and maintain its reserves, too great a surplus may imply that it could have provided more services or products for the good of the community, or that it needed to raise less revenue. Neither conclusion is good for the image of the organization.

Nonprofit organizations measure their success not only by the good they do for the community, but also by how well they managed to meet (or "make") their budgets. Fulfilling the mission is the bottom line; balancing the budget makes it possible. Board members should be aware that making either more or less than the amount budgeted can result from a variety of circumstances. For example, if the organization makes more than was budgeted, it is possible that it spent too little on programs, or that it padded the budget with extra expenses just to be on the safe side. It can also mean, of course, that the organization was more successful than anticipated in enlisting grants or other revenue.

Similarly, making less than was budgeted can occur for a variety of reasons. The organization might have taken on unanticipated tasks, or allowed expenses to go out of line. Both the income and the expenses that were budgeted need to be compared to actual income and expenses for the full story to be told.

If a nonprofit organization does not have a budget, then it is exceedingly difficult to determine whether it is being managed effectively (although some would conclude that the lack of a budget

even—running at a very small gain or loss—is not enough. Performance should also be projected, both to create a goal for volunteers and employees and to create a measuring device for success or failure.

F. ARE OUR EXPENDITURES APPROPRIATE?

Many nonprofit organizations exist at the whim and the will of the public they serve. If they behave in a fashion that seems wasteful or inappropriate, the public can turn against them. Sources of funding dry up and the organization can be hurt or put out of business.

What exacerbates this situation is that nonprofits operate in a fish bowl. Their activities are open to the scrutiny of volunteers, members, and the public. The federal government, through the Internal Revenue Service, requires that the nonprofit make its annual reporting document (Form 990) available for inspection or duplication to anyone who requests it. Thus, it is critical that a nonprofit not only appear to be acting appropriately, but that it actually is acting appropriately.

The appearance of propriety extends not only to fulfilling the organization's exempt purpose, but also to how efficiently it is perceived to be achieving its ends. Each organization must look to others in its field to determine that its operating and fund-raising costs are reasonable in comparison. Although there are no true nationwide or industry-wide standards, each entity can be compared to its peers.

G. ARE WE INSURED APPROPRIATELY AGAINST RISKS?

Even with the greatest vigilance on the part of board and staff, problems may arise that threaten the financial health of the organization. Board members should make sure that the organization is managing its risks, either by insurance or other means, to ensure its continued existence. The organization's assets should be insured, and everyone involved with cash and securities should be bonded. If being open for business is critical to the organization, business interruption insurance can provide income lost if the organization is forced to close for a time.

The National Center for Nonprofit Boards has produced several publications dealing with risk management that are available as a packet entitled *The Board Member's Guide to Legal, Liability, and Insurance Issues.*

H. ARE WE MEETING THE GUIDELINES AND REQUIREMENTS SET BY OUR FUNDERS?

Organizations that receive funding from the federal government, foundations, individual donors, or other entities must usually follow specific rules and guidelines or face suspension or retraction of funding. The board is ultimately responsible for ensuring that this income is managed properly.

Recipients of private grants or contributions: Frequently, donors provide funding for a restricted purpose, such as research in a specific area, a particular project, or a specific prize. These restricted funds must be spent for their designated purpose. Nothing is more certain to damage a nonprofit organization's ability to attract funds than for it to be found using restricted funds for non-restricted purposes.

An organization that receives restricted gifts must account for the funds carefully so that it can prove their use for the purpose intended. Nonprofit organizations have developed a system, called fund accounting, to address the need for accountability to donors and funders and to ensure that funds are spent for their designated purpose. Organizations using fund accounting classify assets into funds that are to be used for a specific purpose. Each fund has a complete set of accounts and constitutes a separate accounting entity, allowing the organization to report accurately to the board and to funders on the status of restricted funds.

Recipients of federal funding: Strict rules apply to recipients of federal funds. Any organization receiving either direct or indirect economic benefits in excess of $25,000 is required to conduct a special audit of its handling of those funds. This is called an A-133 audit because it was communicated to the public in the Office of Management and Budget's Circular A-133. The requirements for A-133 audits vary, based on the number and amount of federal awards received.

OMB A-133 requires that outside auditors review and report on whether the funds provided were spent for the precise purpose intended, and were spent in a fashion appropriate to all federal guidelines. It also requires that the outside auditor report on the effectiveness of the system of internal controls in ensuring compliance with federal rules and grant terms. Every nonprofit receiving federal funds is now subject to this increased scrutiny. Organizations that have not correctly complied tend to appear in newspaper headlines locally or nationally, depending on the gravity of their errors.

Public exposure is not the only unpleasant result of failure in this regard. The federal government has many penalties it can bring to bear, the harshest being a suspension of funding or a demand for the return of grants.

II. Systems that Protect Nonprofit Organizations

Certain systems should be in place to protect every nonprofit organization. Management is responsible for making sure that the organization implements and maintains these systems, but the board should assure itself that management is following board policies.

The most difficult internal problems to identify are those that occur due to accretion, or gradual accumulation, rather than through gross mismanagement or malfeasance. As an organization grows, seemingly insignificant erroneous activities or behaviors tend to develop incrementally. When these activities first arise, they are too small to be important. The impact of these errors can grow with the organization, however, resulting in a major problem when the matter finally comes to light.

The job of a diligent board member is to make sure not only that management reviews established accounting procedures, but that the board also regularly takes a fresh look at ongoing routines.

All of these systems taken together provide protection, allowing for the safe and efficient operation of the organization.

A. *Internal Controls*

Internal controls are those processes and procedures that protect the assets of an organization and promote its efficient operation. For internal controls to succeed, they must address both concerns simultaneously. For example, a process to pay bills that is very efficient but occasionally pays invoices that should not be paid sacrifices too much in protection of assets (cash, in this case) to achieve an otherwise valuable efficiency. A good balance is at the heart of a good system of internal controls.

Protection of assets is fundamental to the well-being of a nonprofit organization. The board, with the help of its staff, must create internal controls that will protect those assets most subject to waste or theft.

The key to good internal controls is segregation of duties. This concept requires the organization to separate incompatible elements of certain transactions. For instance, whoever is approving invoices to be paid should not be preparing the checks to pay the invoices, and whoever is preparing the checks should not be signing or mailing the checks. Separating these functions makes it much more unlikely that an organization will pay an inappropriate invoice.

Similarly, the person who receives cash should not be the person who records that receipt in the books of account. By controlling both sides of that activity, an individual could misappropriate the cash and cover up that fact in the financial records.

Board members of nonprofit organizations should insist on effective internal controls. Good controls can be achieved by a procedure as simple as requiring two signatures on a check, or can be as complicated as requiring at least five different staff to be involved in preparing a disbursement.

Board members should ask if there is an up-to-date accounting manual detailing correct procedures. If the board has any doubt about the internal controls, it should address questions to the organization's auditors. If the auditors are not reasonably satisfied with the state of the controls, then the board should consider an internal control study. Such a study involves a thorough review of the controls, and results in a written report delineating any shortcomings.

Good controls require the segregation of duties, and that requires at least two or three (and preferably more) staff members. It is much more difficult to achieve or maintain good internal controls in a small organization. Board members of these organizations must, therefore, work hard to gain as much protection as possible for their assets.

Techniques and services are available to help small organizations. Cash receipts can be best protected by directing that all receipts be sent, not to the organization, but to its bank. This "lock box" process, while it can be somewhat costly, provides excellent control over receipts.

Small organizations can gain enhanced control over disbursements

disbursement, then a copy of each check (both valid and void) could be sent to a designated officer along with the canceled invoice that caused the check to be created. This after-the-fact review is far better than no review at all.

Nonprofits of every size work hard to develop whatever assets they have. Good internal controls will ensure that these hard-won assets are not lost or consumed inefficiently.

B. ACCOUNTING POLICIES AND PROCEDURES

Every nonprofit should have written policies and procedures governing how it does business. The reason for written procedures is clear: written procedures are easier to follow, especially over time. Two specific documents are most important to have in place:

Accounting manual. This document contains the guidelines for maintaining good internal controls. Each step in the fiscal process should be analyzed and the best, most appropriate procedure for handling that step should be described in writing.

The resulting document can indicate which staff are responsible for which steps in the process, and even who is to substitute in case of absence. An accounting manual, prepared or reviewed by professionals and kept up-to-date, is an essential tool for a nonprofit organization.

Investment policies. The most critical asset of most nonprofit organizations—after its board, leadership, and staff—is cash. Organizations should have procedures for safeguarding cash, for ensuring its liquidity, and for keeping it productively employed at all times. These procedures combine to form the cash management element of the organization's investment policy. A good investment policy will:

- Delineate a specific philosophy of investment management and establish parameters for investment risk and return;
- Assist the designated investment manager and protect his or her position by setting up practical guidelines and clear performance objectives; and
- Establish a process for reviewing investment objectives and strategies and reviewing the manager's performance.

Some policies, especially those for organizations with smaller

FDIC-insured bank accounts with balances under the $100,000 limit and short-term U.S. Treasuries." Policies for organizations with larger reserves might exclude certain high-risk investments, or state what proportion of the reserves may be in stocks (equities), rather than in bonds (debt instruments).

C. *Board Committees Responsible for Financial Oversight*

The entire board of a nonprofit is legally responsible for the organization's financial success. For routine governance, however, many boards delegate certain financial duties to designated committees, which report regularly to the full board.

Some boards assign one committee (usually called the finance committee) to oversee financial operations. This role could include regular, in-depth review of the organization's financial activity; oversight of the budgeting process; and operation or review of other activities such as fund raising, employment practices, the audit, and investment performance.

In larger organizations with more volunteers, additional committees might be responsible for specific areas. These additional committees could include a budget committee, a personnel committee, and an audit committee.

An audit committee can be useful for a number of reasons. Its primary function is to accept and review reports provided by external auditors, and to select the audit firm that will provide the subsequent year's audit. The audit committee can also serve as a neutral third party to review conflicts between the auditors and management. If such conflicts arise, it is critical that the auditors have an opportunity to express their concerns in a private session with a duly designated audit committee.

Financial committees of the board must exercise the same care as the full board itself to refrain from micro-managing the organization. Simply put, the board hires management to manage; the board's role is to oversee. Attempts by the board actually to manage the organization waste staff time and result in substantial inefficiencies. Even where embezzlement or mismanagement has required the board to take a stronger role in managing the organization, the board should work hard to put good management in place quickly and remove itself from

D. *External Audits*

The key role of the external auditor is to attest to the accuracy of the organization's financial statements, although it may also embrace consultation on internal controls, investment policies, or related subjects. The principal purpose of an external audit is to keep the board and other key constituent groups apprised of the organization's financial position. Secondary purposes include meeting government regulations and qualifying for loans or grants.

To effectively perform this function, the auditor must be absolutely independent of management and must, by the rules of the profession, avoid financial inducements and resist pressure of any kind from management to alter their opinion. When auditors have failed to maintain their independence, lawsuits have followed.

A good audit firm will work with management while maintaining an independent, critical eye. The firm should provide, in addition to an opinion on the financial statements, a written report (the "management letter" or "letter of reportable conditions") highlighting any major weaknesses in internal controls and other significant operational deficiencies.

A truly professional audit firm will maintain its perspective and independence year after year. If the board is satisfied with the auditors' competence, independence, and perspective, it need not replace them. The auditor's in-depth understanding of the nonprofit's operation, gained during years of auditing the organization, can be exceedingly valuable, but this insight is only valuable so long as it is accompanied by an appropriately high level of ethics and responsibility.

If an organization is too small to afford the expense of an annual external audit, alternative solutions are available.

- Some small nonprofits have an audit performed every two years. This provides the assurance that only an audit can provide, while nearly halving the cost.
- Another alternative, which provides considerably less assurance, is a "review" provided by an external auditing firm. A review is much less thorough than an audit, but it does ensure that the financial statements have been prepared on an acceptable basis and that this year's numbers make sense given prior years' performance. While

this service has been available for a number of years and tends to cost half the price of an audit, its inability to provide substantial assurance has made it less popular with nonprofit boards.

- An organization with financially astute volunteers may ask those volunteers to undertake a "members' audit." Two or more members visit the organization and test its fiscal activities and records. For example, they might test the appropriateness of some of the checks written, looking at the invoice that required payment and how the payment was entered in the books of account.

  Additional member audit procedures might include an investigation of how receipts are being processed, whether key assets actually exist, or if the payroll records are in good order.

  The key to success in a members' audit is that no area or activity be sacrosanct. It is essential that the members undertaking this effort be free to look where they please and that they be creative in their investigations. Some organizations that use member audits have an external auditor accompany the volunteers to aid or guide their efforts.

III. Understanding the Financial Condition

Board members must understand the financial condition of their organization in order to serve and protect it. Financial insight is essential to making wise decisions on the vast majority of board matters.

Numerous documents are available to those who are not fully versed in reading and understanding financial reports. For example, the National Center for Nonprofit Boards has published a booklet entitled *Understanding Nonprofit Financial Statements: A Primer for Board Members,* which explains the basic language of finance, how to read a financial statement, and how to work with the numbers to gain insight into the organization's financial condition.

Unfortunately, even those skilled at reading financial statements may have difficulty in understanding information offered by nonprofit organizations. Accounting for these entities is somewhat different from that for profit-making ventures, and confusion can result. If a board member is not satisfied with his or her understanding of the financial statements and explanations provided, the member should insist that the organization provide better information.

Better information can take a variety of forms. For example, because no one can absorb all the details in a financial report, communicating less (but more meaningful) information is sometimes better than simply providing detailed information with no explanation. The staff might write a narrative describing the highlights of the reporting period to accompany the financial report. Charts and graphs can point out the most important trends or relationships. Finally, because board members must have the details as well, reports should be standardized so that the board can quickly access the details and compare items with previous reports.

Each board member is responsible for gaining a sufficient level of comfort and understanding of the numbers. If any issue, large or small, is not clear, the board should seek clarification. A diligent board member will ask as many questions as are needed to lay to rest any doubt or uncertainty.

A. DOCUMENTS THE BOARD SHOULD RECEIVE

There is no single standard for all nonprofits regarding which financial statements the board should receive. The area of greatest diversity is found in the internally prepared financial statements.

1. INTERNALLY PREPARED FINANCIAL STATEMENTS

Most nonprofit organizations prepare financial reports on a monthly basis. This information is certainly needed for management, but may not be necessary for the board to review. Many boards find quarterly internal financial statements to be sufficient.

In organizations with satisfactory reserves, a finance committee might analyze the monthly or quarterly reports, while the full board reviews only the annual internally prepared statement and the external audit. Boards with no finance committee should consider reviewing the organization's financial statements at least quarterly.

2. AUDITED FINANCIAL STATEMENTS

Much more consistency among boards exists on the matter of reviewing externally prepared financial statements; the board should always review year-end audited financial statements.

These year-end statements should include:

- **A balance sheet:** This statement shows the assets and liabilities of the organization at a given point in time, in this case at year-end. Whenever possible, this statement (and the statement of revenue and expenses described below) should include comparative figures from the previous year, as long as there has been no change in year-end or the chart of accounts.
- **A statement of revenue and expenses:** This statement shows revenue and expenses for a specified period of time, in this case one year, and whether there was a net gain or loss.

- **A statement of changes in fund balance:** This statement is occasionally combined with the statement of revenue and expenses. It reflects the beginning fund balance plus the current period's net gain or loss, and may include other adjustments to reach the ending fund balance.
- **A statement of cash flows:** This statement is prepared in a format that focuses on where cash came from and how it was used. (This statement should not be confused with the cash-flow statement discussed earlier, which is a tool for managing cash.)

In addition to the statements listed above, every group of audited financial statements *must* be accompanied by certain required footnotes that help the reader understand the organization's financial situation; board members should read these footnotes carefully. The notes highlight significant accounting policies, major acquisitions or changes in operations, pension requirements, lawsuits, and other significant information, and provide details on significant matters.

On occasion, an organization will want more detailed information than is required in the basic audited report. In these situations, the auditors will attach to the notes a separate opinion, followed by additional statements or supplemental schedules. This opinion will indicate the level of assurance the auditors are providing on these statements. Readers should be aware that the level of assurance may not be the same as for the basic audited statements.

There is sometimes confusion about what is being purchased when an audit is performed. An audit is the process by which certified public accountants are able to form an opinion as to whether the organization's financial statements fairly reflect its financial position, the results of its operations, and its cash flow. It is a lengthy and thorough study of the organization's financial records and procedures that looks not only at the numbers themselves, but also at whether appropriate accounting principles were used, and, if so, whether they were consistently applied.

An audit does not guarantee that the financial statements are perfectly accurate because it is concerned only with material or significant amounts, nor does it ensure the competence, wisdom, or honesty of management.

Various opinions may result from an audit. Most organizations receive "clean" (or unqualified) opinions, but some do not. Listed below are the different types of opinions and why they might be received.

- **An unqualified (clean) opinion**, the highest level of assurance the auditor can provide, is used when the auditor is satisfied with the financial statements. The three paragraphs of a typical clean opinion are provided as Appendix B.

  This type of opinion sometimes includes a fourth paragraph drawing the reader's attention to a particular matter. This fourth paragraph follows the opinion paragraph of a clean opinion. It does not reduce the level of assurance the auditor is expressing, but it simply refers to the full disclosure of the matter in question in the footnotes at the end of the financial statements. Examples include: opinions based, in part, on the work of another auditor, or emphasis of a matter such as the unknown outcome of a lawsuit.
- **A qualified opinion** is provided when the auditor expresses reservations on a specific issue. Qualified opinions frequently result when the organization is following accounting principles that are not generally accepted, according to the American Institute of Certified Public Accountants. A qualified opinion should encourage board members to ask questions directly to the auditors.
- **An adverse opinion** is a *negative* opinion and is used when the financial statements are misleading and management will not correct them. These are exceedingly rare and should alert the board that strong corrective action is required.
- **A disclaimed opinion** indicates that the auditor is unable to form an opinion. It often arises because of a lack of independence, or due to a scope limitation, meaning that the auditor has been unable to gather enough information to form an opinion, e.g., cannot rely on the beginning inventory count because no audit was conducted at the end of the previous year. This type of opinion can also result when the organization's internal controls are unsatisfactory. When a board receives a disclaimed opinion, it should promptly investigate the cause for the disclaimer.

In addition to providing an opinion on the financial statements, auditors are generally required to provide a Management Letter, sometimes called a Letter of Reportable Conditions. This letter should always be distributed to the board because it provides the auditor's observations on any significant deficiencies they may have discovered in the internal control structure of the organization. In addition, this letter may mention other matters that the auditors believe are of sufficient import to require the attention of management. If no reportable conditions are discovered, no written communication is required.

3. OTHER IMPORTANT FINANCIAL REPORTS

In addition to the audited financial statements and the management letter, other financial reports may be required of a nonprofit organization by the federal government or by state governments, grantors, donors, or affiliated organizations. The most important of these is the IRS Form 990, which provides information to the federal government about how the organization raised its revenue and for what purpose and in what fashion it incurred its expenses. In addition, the Form 990 requires that a beginning and ending balance sheet be provided. For charitable, educational, or scientific organizations, additional information must be provided on Schedule A.

Board members should consider reviewing the Form 990 before it is filed, because this document communicates to the IRS how the organization is fulfilling its tax-exempt purpose. In addition, the IRS requires nonprofit organizations to make the Form 990 available for inspection or duplication to anyone requesting access to it. Thus, accurate and effective communication is essential.

Board members should consider reviewing the reports that result from the OMB A-133 audit, which is required for organizations receiving more than $25,000 in federal support. In a series of as many as nine separate reports, the auditor is required to attest to the fact that there is "reasonable assurance that the organization or institution is managing federal awards in compliance with applicable laws and regulations," and that the organization is safeguarding the federal funds.

These reports are sent directly to the cognizant government agency, usually the agency that is providing the bulk of the funding. If an organization fails to meet government standards, then the grant-making agency may cut off or demand refunds of awards. Thus, attention to these reports is strongly recommended.

Whether other required year-end reports are reviewed by board members is largely a matter of their significance to the organization. Whenever a report involves the potential of substantially increased or reduced funding, board review is advisable. Reviewing insignificant reports draws time and attention away from other matters, however, and board members should focus their attention where it will do the most good.

B. SIGNS OF FINANCIAL DISTRESS

Certain occurrences portend trouble. Board members should be alert to the following signs of organizational distress.

Critical income sources declining: Every nonprofit organization relies on certain major sources of income. A membership organization may rely on dues, meeting income, education, or publications as its key sources; a charitable organization's revenue may come entirely from contributions. These critical sources should be tracked carefully. Any significant decline in these key sources is a sure sign of trouble.

Certain expenditures increasing: Certain expenses should be watched more closely than others in nonprofit organizations. The most important of these is salary and benefits, because these represent a major portion of the organization's expenditures. Nonprofit organizations use benefits as an incentive somewhat more frequently than do for-profits, and tracking these expenses as a percentage of total expenses can be very illuminating.

One expense that tends to indicate problems is the miscellaneous expense account. If this item increases, hidden costs or less-than-adequate bookkeeping may be the cause. In either case, an inquiry is warranted. Another expense to watch is consultants' fees. If this expense goes up noticeably, it may reflect activity that could be better brought in house. In addition, a rise in consulting costs can signal an undisclosed major issue.

Private inurement: Any board member who is benefiting financially from the nonprofit organization may pose a substantial threat to the organization's survival. When the IRS audits a nonprofit organization, it invariably attempts to ferret out incidents of private inurement. If it finds any appreciable amount, it can revoke the entity's tax-exempt status. The only individuals who should be gaining financially from a nonprofit organization are those who are employed by the organization (and that benefit should be only in the form of reasonable salary and benefits). All others who receive benefit should do so as a result of the organization's fulfillment of its exempt purpose.

Unplanned auditor turnover: Board members should be curious about an unplanned auditor change, which often signals a substantial disagreement between management and the auditing firm. The board, either directly or through its finance or audit committee, should investigate any unplanned auditor turnover. Any investigation should include a dialogue with the auditors during which management is not present.

Board micro-management: One of the most serious problems a nonprofit can face is too much detailed operational management by the board. A board that is involved in many small-dollar decisions is creating enormous inefficiencies. Good board members will monitor the board's involvement in management and suggest appropriate corrections.

CONCLUSION

A functioning nonprofit organization provides services or products of such great importance that the community dedicates time and money to help it achieve its purpose. Board members are custodians, not only of the organization's assets and liabilities, but also of the accumulated efforts of those who preceded them in founding and expanding the entity they now serve. Board members hold in trust the economic engine that is the nonprofit's ability to continue to serve the community. Protecting and enhancing this capacity is the true financial responsibility of board members of nonprofit organizations.

APPENDIX A

Ten Key Financial Questions Board Members Should Ask

1. Have we run a gain or loss?
2. Are our key sources of income rising or falling?
3. Are our key expenses, especially salary and benefits, under control?
4. Do we have sufficient reserves?
5. Is our cash flow projected to be adequate?
6. Where are we compared with budget?
7. Is our financial plan consistent with our strategic plan?
8. Is our staff satisfied and productive?
9. Are we filing on a timely basis all the reporting documents we are supposed to be filing?
10. Are we fulfilling our tax-exempt purpose as granted by the IRS?

APPENDIX B

Example of an Auditor's Opinion

Following is an example of an unqualified or "clean" auditor's opinion as recommended by the American Institute of Certified Public Accountants:

Independent Auditor's Report

Board of Directors
XYZ Nonprofit Organization, Inc.
City, State

We have audited the accompanying balance sheets of the XYZ Nonprofit Organization, Inc. (the Organization) as of December 31, 19X2 and 19X1, and the related statements of revenue and expenses, changes in fund balances, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the XYZ Nonprofit Organization, Inc. as of December 31, 19X2 and 19X1, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Auditing Firm Name
City, State

APPENDIX C

Tax and Information Filing Calendar for Nonprofit Organizations

Table 1: Federal Filings

Filing	Form	Due Date*
A. Initial Formation:		
1. Application for Employer Identification Number	SS4	ASAP after formation
2. Application for Recognition of Exemption		
a. 501(c)(3)	1023	ASAP after formation
b. Other than (c)(3)	1024	ASAP after formation
B. Payroll Forms and Returns		
1. Unemployment Tax	940/940EZ**	1/31
2. Social Security and Withholding Tax	941	4/30, 7/31, 10/31, 1/31
C. Information Returns		
1. Wages and Tax Statements	W-3/W-2	1/31
2. Miscellaneous Income Statements	1099MISC	1/31
3. Interest Income Statements	1099INT	1/31
4. Other Income	1099 Series	1/31
5. 1099 Transmittal	1096	2/28
D. Exempt Organization Returns	990/990EZ	5/15
1. Group Exemption Update	(List)	9/30 for upcoming year
E. Exempt Organization Business Tax	990-T	5/15
F. Political Action Committee		
1. FEC Initial Registration		ASAP after formation
2. FEC Filings (Election Year)	3X	4/15, 7/15, 10/15, 10/22, 12/3, 1/31
3. Interest Income	1120POL	3/15
G. Employee Benefit Plans		
1. Pension, 401(k)		
Under 100 participants	5500C/R	7/31
100 or more participants	5500	7/31
2. Health, Group Life, Disability, or Dependent Care — 100 or more participants	5500C/R	7/31
3. Group Legal Services or Educational Assistance		
Under 100 participants	5500C/R	7/31
100 or more participants	5500	7/31

* Based on tax and plan years ending December 31
** 501(c)(3) organizations may be exempt

Tax and Information Filing Calendar for Nonprofit Organizations

Table 2: Typical State Filings

Filing	Due Date*
A. Initial Formation:	
1. Combined Registration Application	ASAP after formation
2. Application for Exemption	ASAP after formation
3. Charitable Solicitation Registration***	ASAP after formation
B. Payroll Forms and Returns	
1. Unemployment Tax	4/30, 7/31, 10/31, 1/31
2. Payment of Taxes Withheld	20th of month (varies)
3. Annual Reconciliation and Report of Withholding	1/31
C. Personal Property Tax****	7/31
D. Sales and Use Tax****	20th of month
E. Report of Unclaimed Property	11/1
F. Annual Corporate Report	4/15
G. Copy of Federal Form 990	5/15
H. Corporate Income Tax Return: (If organization receives unrelated business income)	3/15
I. Charitable Solicitation Annual Report***	5/15
J. Political Action Committee	
1. State Election Reports (Election Year)	4/15, 7/15, 10/15, 10/22, 12/3, 1/31
2. Corporate Income Tax (on Interest Income)	3/15

* Based on tax and plan years ending December 31
** 501(c)(3) organizations may be exempt
*** 501(c)(3) only
**** 501(c)(3) may apply for exemption

These tables have been provided as a general overview of federal and state financial reporting requirements. This information is subject to changes in federal and state regulations. State regulations vary widely. Organizations and board members needing assistance with filings should hire professional attorneys and accountants.

SUGGESTED RESOURCES

Butler, James C., editor. *Board Members and Risk: A Primer on Protection from Liability.* Washington, DC: National Center for Nonprofit Boards, 1992, 16 pages.

This introduction to risk management includes an overview of the options available to protect board members from liability, a discussion of directors and officers insurance, and answers to common questions.

Dalsimer, John Paul. *Understanding Nonprofit Financial Statements: A Primer for Board Members.* Washington, DC: National Center for Nonprofit Boards, 1991, 24 pages.

This booklet helps the individual board member to understand the concepts, forms, and terminology needed to be effective in carrying out their financial responsibilities. Sample documents are explained in detail to assist anyone needing to become more comfortable with financial statements, from the bookkeeper to the treasurer, to the board itself.

Drucker, Peter J. *Managing the Nonprofit Organization: Principles and Practices.* New York, NY: Harper Collins, 1990, 235 pages.

Board members looking for practical suggestions by Drucker and experts in the field in identifying and resolving the challenges facing nonprofits will find this book of particular use. This book provides valuable insight into the philosophy and operational strategy of nonprofit organizations.

Gelatt, James P. *Managing Nonprofit Organizations in the 21st Century.* Phoenix, AZ: The Oryx Press, 1992, 256 pages.

Numerous checklists and detailed examples make this book exceptionally valuable for board members. This book provides a thorough and detailed review of all aspects of properly managing the nonprofit of today and tomorrow.

Ingram, Richard T. *Ten Basic Responsibilities of Nonprofit Boards.* Washington, DC: National Center for Nonprofit Boards, 1988, 22 pages.

This booklet outlines in simple terminology what is required of the nonprofit board as a whole, as well as of individual members.

Leifer, Jacqueline Covey and Michael B. Glomb. *The Legal Obligations of Nonprofit Boards: A Guidebook for Board Members.* Washington, DC: National Center for Nonprofit Boards, 1992, 58 pages.

This guide explains, in lay terms, what is necessary for the new board member to understand in the way of state, federal, and corporate laws. It stresses the board member's duties and liabilities and the necessary precautions one must take for the organization as well as for the individual member.

Tremper, Charles, and George Babcock. *The Nonprofit Board's Role in Reducing Risk: More Than Buying Insurance.* Washington, DC: National Center for Nonprofit Boards, 1990, 20 pages.

This booklet guides the nonprofit through the risks intrinsic with all nonprofit organizations. It outlines the various types of insurance that nonprofits must have in areas such as property damage, personal injury and employee grievances.

ABOUT THE AUTHOR

Andrew S. Lang, CPA, is president of Lang + Associates, P.A., a certified public accounting and consulting firm in Bethesda, Maryland, that specializes in nonprofit organizations. In addition to auditing and providing management advisory services to a wide variety of national and regional tax-exempt entities, Mr. Lang conducts continuing education and in-service programs on nonprofit tax, management, and accounting issues. A frequent writer and lecturer, he has taught at the University of Maryland and The Johns Hopkins University, and is co-author of *Completing Your IRS Form 990—A Guide for Tax Exempt Organizations.*

Have You Read These Publications of the National Center for Nonprofit Boards?

Welcome to the Board: An Orientation Kit for Trustees

The Board Member's Guide to Fund Raising by Fisher Howe

The Legal Obligations of Nonprofit Boards by Jacqueline C. Leifer and Michael B. Glomb

The Financial Responsibilities of Nonprofit Boards by Andrew S. Lang

Nonprofit Board Committees: How to Make Them Work by Ellen Cochran Hirzy

The Audit Committee by Sandra Johnson

The Executive Committee by Robert Andringa

The Nominating Committee by Ellen Cochran Hirzy

How to Help Your Board Govern More and Manage Less by Richard P. Chait

Hiring the Chief Executive by Sheila Albert

Beyond Strategic Planning: How to Involve Nonprofit Boards in Growth and Change by Douglas C. Eadie

Fulfilling the Public Trust by Peter D. Bell

Redesigning the Nonprofit Organization by Gwendolyn Calvert Baker

Self-Assessment for Nonprofit Governing Boardsby Larry H. Slesinger

Developing the Nonprofit Board by Maureen K. Robinson

Governing Boards: Their Nature and Nurture by Cyril O. Houle

Six Keys to Recruiting, Orienting, and Involving Nonprofit Board Members by Judith Grummon Nelson

Building an Effective Board: Creating a Cohesive, Knowledgeable, and Committed Governing Board (audiocassette)

Board Members and Risk: A Primer on Protection from Liability

Establishing Appropriate Compensation for Chief Executives of Nonprofit Organizations

Stories from the Board Room, Vol. I: Realities and Rewards of T...

NONPROFIT GOVERNANCE SERIES

1. *Ten Basic Responsibilities of Nonprofit Board* (also available in Spanish and Portuguese)
2. *The Chief Executive's Role in Developing the Nonprofit Board*
3. *Fund Raising and the Nonprofit Board Member*
4. *Board Assessment of the Chief Executive: A Responsibility Essential to Good Governance*
5. *The Nonprofit Board's Role in Reducing Risk: More Than Buying Insurance*
6. *Strategic Planning and the Nonprofit Board*
7. *Board Passages: Three Key Stages in a Nonprofit Board's Life Cycle*
8. *Understanding Nonprofit Financial Statements: A Primer for Board Members*
9. *Creating and Renewing Advisory Boards: Strategies for Success*
10. *Planning Successful Board Retreats: A Guide for Board Members and Chief Executives*
11. *The Role of the Board Chairperson: For Effective Nonprofit Governance*
12. *Bridging the Gap Between Nonprofit and For-Profit Board Members*
13. *Smarter Board Meetings*
14. *Board Assessment of the Organization: How Are We Doing?*
15. *The Board's Role in Public Relations and Communications*
16. *Finding and Retaining Your Next Chief Executive: Making the Transition Work*

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World Learning

Section 5

The External Environment: Communications with Government Communication and The Process of Negotiating Example of Job Description

ADMINISTRATIVE APPROACH TO CONFLICTS

NEGOTIATIONS

(TRAINING MATERIALS)
1995

TCHUMIKOV A. N.

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NEGOTIATIONS HELP TO OPTIMIZE THE SITUATION

If you start a negotiation process, remember that even the most advanced negotiation methods cannot settle the conflict of objective needs of development and the public shell where it unfolds. If this shell hinders the development process, it should be changed or destroyed - whether with your participation or without it. On the other hand, a well-organized procedure is capable of smoothing the negotiation conflict and minimizing inevitable economic, social, political and moral damage. It can emphasize the advantages, too. So, OPTIMIZATION OF A SITUATION should be treated as the main goal of negotiations.

What is the idea behind the optimization?
TO CHANGE DISSONANCES TO CONSONANCES!
Conflict is a dissonance, an antonym to conflict is harmony. This equally refers to language and real life. Dissonances make the music interesting and dramatic, they are meaningful if the composer can turn the dissonance into a delicate sound. Their progressive function is reflected by the transition to consonances. A permanent conflict will lose its dramatic interest and become a regular noise or chaos. Conflict moving to settlement is meaningful. The same is true for sports and games: a long game without any result becomes unbearable. *(by Boulding K. Conflict and Defense: a General Theory. N.Y.:Harper, 1962.)*

STRATEGIC APPROACHES TO NEGOTIATIONS

1) Moral or legal. This approach is characterized by the desire of both parties to settle the conflict by means of legal or moral regulations. The result depends on whether the parties have agreed on these regulations. If they are accepted by everyone, the problem boils down to how they can be used. If there is a disagreement on the rules of the game, they are rejected as inapplicable by one or all the parties. Then they should be imposed on the parties.
2) Obligatory or realistic. It is also called bargaining. Negotiations reflect the parties' urge for domination. There is a certain constraint over those who obey. This approach does not result in long-term stability. However, those who choose it, do not think otherwise: they believe not in peace but in armistice, i.e. a temporary settlement of a conflict.
3) Problem solving. Theoretically, this approach is very good, but it is extremely difficult for use in practice. It is also called idealistic. It is used only when all the parties - irrespective of their position, cruelty or humanity, strengths and weaknessess - establish a relationship which corresponds to their individual ideas. They base it on assumption that they are all losers and will win after problems are solved. There is neither obvious nor concealed obeyance, and this makes the situation self-supporting. Similarly, the rest of the problems are solved.

DO'S AND DO NOT'S OF PROBLEM SOLVING

Do: first define the problem in the terms of goals

Do not: start with talking on possible solutions

Do: concentrate your attention on the problem

Do not: discuss personal qualities of the other party

Do: create the atmosphere of trust and positive attitude to each other

Do not: demonstrate irritation or express direct or indirect threats

Do: establish the exchange of information

Do not: use information blockade

VARIOUS TACTICAL WAYS OF NEGOTIATING PROS AND CONS

POWER
Pro
The conflict is settled temporarily.

Con
The reason is not eliminated and the threat of aggravation remains. Besides, the weaker party may not obey and passively resist the oppression. In this case an extremely dangerous "double" or "blocked" conflict takes place.

COMPROMISE
Pro
When you compromise and get rid of some of your goals and values, you can acquire something else. The ability to compromise often helps to settle the conflict.

Con
Each party can consider itself deprived of its fair share. Compromise is a patchwork where everyone can recognize their patches and is not consoled by the fact that the opponent is not satisfied either. With time conceded goals and values will appeal to you and aggravate the conflict.
Using compomises at an early stage of an argument about an important issue, can prevent from diagnosing the problem and reduce the process of search of alternatives. The compromise can mean agreement only for the sake of avoiding quarrels. Such a compromise means satisfaction with what is available. It does not imply persistent search of the logic of the situation.

INTEGRATIVE
Pro
Each party forgets about its previous goals and values and finds new and mutually acceptable goals. In this case the integrity may not be perceived and each opponent will

believe that integrative achievement is its own merit. However, a new scale of goals and values is set up and this leads to objective conflict settlement.

Con
This is the most difficult approach

NEGOTIATION STYLE DEPENDS ON AUTHORITY, RESOURCES AND DEGREE OF INTEREST IN END RESULTS

COMPETITION
This style is acceptable if your personal or group will and resources are strong enough and you are convinced of the advantages of the decisiion that you suggest, if your have enough authority, if you are aware of the necessity of quick reaction and if you have nothing to lose. The competition style leads to domination or elimination of one of the parties. Competition is based on the principle: You have to lose to let me win.

EVASION
You can choose this approach if the problem is not so important for you, and you do not want or cannot waste your efforts on its decision. Or if you feel you are not right or do not have enough resources or power. Or if you need a delay.
This style is a reaction which is expressed by ignoring or denying the conflict.

ADAPTATION
It is similar to the previous approach, but there is also an important difference: when you choose evasion you do not do anything to satisfy the interests of your opponents, when you choose adaptation, you sacrifice your interests in exchange for a good attitude to you. The formula is: I must lose to let you win.
This style can be treated as an armistice. After that you will have to start fighting for the result you are interested in.

CONCESSIONS
"Each of us must lose something to let us both win". This style is suitable for the situations when both you and your opponent have enough power and resources, and your interests are incompatible. Or when you are satisfied with a temporary agreement or short-term profit.

COOPERATION
It is fully compatible with problem solving. This is a form of conflict settlement when satisfying parties' interests is more important than the decision itself. It implies that the interests of one of the parties will not be satisfied, if the interests of the other party are not satisfied either. The formula is: We both must win.

SYNTHESIS OF APPROACHES
SUMMARY AND CONCLUSIONS

APPROACH	: METHOD	:	STYLE:
NORMATIVE:	POWER,	ADAPTATION,	CONCESSIONS:
COMPROMISE:	ADAPTATION:		CONCESSIONS:

REALISTIC:	POWER:	COMPETITION:	EVASION:
COMPROMISE:	ADAPTATION:	CONCESSIONS:	
IDEALISTIC (problem solving):	INTEGRATION	COOPERATION	

This structure shows that same methods (power or compromise) can be used in the framework of different approaches - both normative and realistic. However, their essence is not similar: in the first case one of the parties admits "lawful"oppression; while compromise is also determined by a moral or legal norm. In the second case power is treated as simple pressure for profit and compromise is a result of physical inability to continue fighting.
The same is true for the style: adaptation and concessions result from the necessity recognized by the parties or they may be a reaction to partial or full loss. In case of power approach this reaction is a step following an failed attempt to compete or refrain from fighting.
As far as problem solving - integration - cooperation line, it is the most clearcut in the above structure and is the most difficult in practice.

INFORMATION AND ENERGETIC ANTAGONISM: TWO MAIN STAGES OF ANY NEGOTIATIONS

According to the theory of games any conflict (and negotiations are a form of settling a conflict) is divided into two stages. The first one is fighting for leadership, the second one, when the roles are distributed, one party performs persecution, the other is trying to evade. The basis of the first stage is information antagonism, when each party tries to receive the most compete information and deprived the other of such an opportunity.

If one of the parties succeeded in this, it starts the stage of energetic antogonism. It has better prerequisites for obtaining the "persecutor" status. If you have complete information you can minimize energetic efforts for settling the conflict. The better the information that you got, the less energy is spent for antagonism and the more energy is channeled for solving the main task. In other words, the goal of information anatagonism is to diagnose your own position and the position of your opponent and then - choose your style.

Those who are in charge of information can influence the collective consciousness and manage the behaviour of various entities.

WHICH INFORMATION IS REQUIRED FOR EFFECTIVE MONITORING OF THE CONFLICT DURING NEGOTIATIONS?

1. The source of the conflict, i.e. subjective or objective emotions of the parties, the ways of fighting, events in the framework of the conflict, antagonism of opinions or confrontation.

2. The story of a conflict is the background against it developed, aggravation of the conflict, crises and landmarks in its development.

3. The parties (personalities, groups or large communities). They determine the social complexity level.

4. Position and attitudes of the parties - formal and informal, relations and roles, personal attitudes and so on.

5. The initial attitude to the conflict - if they would like to settle the conflict themselves, what their hopes, expectations and terms are.
(Brodal. Nine steps down, or quarrels - conflicts - wars. Conflict diagnosing. Znanie - sila. 1991, #11)

After you received the basic information on the object, participants, background, reasons, the level of tension at the initial stage, etc., scrutinize each component.
For example, analysing such an important aspect as "participants of negotiations", find resources to support them (material, military - inside - and political, ideological, and so on - outside); consider the level of claims and available resources, as well as accepted social regulations. You will get a "tree of the conflict", which allows you to find a model of behaviour for the negotiations.

ESTIMATING WIN-OR-LOSE PROBABILITY IN OPEN CONFLICT

Q. Wright, an American politologist, who dealt with international conflicts, suggested the following formulas for the estimate:

$$: X = (N_X + F_Y) - (C_X + W_X) + (P_X - P_Y) - (V_X - V_Y) :$$
$$: Y = (N_Y + F_X) - (C_Y + W_Y) + (P_Y - P_X) - (V_Y - V_X) :$$

where X and Y - participants, N - national interests (subjectively), F - military forces, C - cost of conflict, W - world public opinion in favour of peaceful settlement (by polls, mass media analysis, etc.), P - potential forces, including material factors, V - vulnerability to military actions.The magnitudes were estimated against a 100-score scale. The "=" sign shows party's readiness to expand or limit the conflict, absolute value reflects the degree of readiness. Below are calculations for the World War II:

$$: (70 + 20) - (40 + 30) - (20 - 70) - (50 - 10) = -70$$
$$: (70 + 20) - (50 + 10) - (70 - 20) - (10 - 50) = +120$$

The first line is for Hitler coalition, the second line is for anti-Hitler coalition. *(Drobot G. A., Quincey Wright on conflicts and stability in international relations. Social and political sciences. 1991. #7)*
You can see that Wright used the indexes from absolute ones (C, P) to probability (V), as well as those which are not estimated by clearcut quantitative methods (W) and even subjective ones (N). However, the final estimate in the majority of cases (Q. Wright analyzed 45 international conflicts) was almost close to real.
Adapting the above formulas to concrete situations one can receive useful reference points for determining tactics of negotiating.

WHICH INFORMATION MAY HINDER NEGOTIATIONS PROGRESS

* incorrect or inaccurate information, or desinformation
* obsolete information

* incomplete information
* complex, not 100 per cent clear information
* doubtful information (experience and reputation of the source)
* contradictory information
* unpleasant information
* excessive information

CONTINUE INFORMING EVEN IF YOUR OPPONENT IS AGGRESSIVE

Important:

* foresee opponent's objections before they appear and provide a grounded answer to them
* use facts to show how your proposals can satisfy the interests of the other party
* do not intimidate, do not use pressure; this may increase antagonism
* present convincing information which will persuade your opponent that you are able to stick to your proposals
* demonstrate that blind alleys do more harm to your opponent
* prove that certain moments that your opponent finds valuable are not really so important for his interests
* help your opponents to keep up appearances and accept your proposal as if it were their own

INFORMATION TREATMENT OF OPPONENTS BEFORE NEGOTIATIONS

21. Forming the flow of information. You must provide a maximum of information to your opponent and do it regularly, completely and in due time. This refers to insignificant events, too.

22. Manipulating information. When the task is basically solved, you can start creating limited information flows, which work for a concrete goal. "Civilized manipulation" does not mean fraud (which may seriously aggravate the conflict), it implies "providing partial truth" or creating a chain of truthful messages that would stimulate clear and absolute associations.

23. Prioritizing. If your information is trustworthy, you should go further. The trust is not enough, it sould be taken care of. You must choose the most influential consumers, which would receive exclusive information. Then you should start transition to information exchange, which may grow into information cooperation.

24. Choosing a slogan. The most successful information structure is not secured against failures if the contents of provided information is not taken care of. The choice of the main line formulated as a brief slogan or thesis play the key role here. Otherwise the information treatment will inevitably lose its efficiency.

25. Optimal forms. The acceptable contents should have a successful frame which is adequate to the educational, cultural, national or religious level of the consumer.

RALLYING YOUR NEGOTIATION TEAM

1. Let your group experience a general success
2. Strengthen mutual trust between the members and the leader
3. Stimulate 'affiliation' feeling
4. Membership should give joy and correspond to the idea of prestige.
5. Support the belief that your goals are feasible

DESTROYING YOUR OPPONENT'S TEAM

1. Demonstrate that its activity does not have a future.
2. Demostrate that they cannot achieve their goals
3. Stimulate mistrust between the members and the leader
4. Support "dissidents", encourage turncoats, especially leaders-deserters
5. Link the 'affiliation' feeling with dissatisfaction, weariness and decline

(Zigert V, Lang L. Leadership without conflicts. Economika, 1990.)

Sample of government relations activities of World Learning in the United States

GOVERNMENT RELATIONS COORDINATOR/WORLD LEARNING

Location: Washington, DC

General Description: The Coordinator will be in regular contact with World Learning's senior staff concerning governmental issues, problems and opportunities of importance to their respective missions, markets and of operation. The Coordinator will represent World Learning's programs, issues and interests to governmental bodies and other appropriate entities and develop contacts, reputation and influence among a significant range of appropriate key officials and organizations.

SPECIFIC RESPONSIBILITIES

1. MONITORING AND TRACKING

- Monitor the status, content and prospects of proposed federal legislation and legislative developments, as they may affect foreign assistance, international education and development programs, international cultural exchange programs and related issues.
- Monitor legislative, regulatory and administrative proceedings that may have an impact on World Monitor Learning programs or the countries and regions where those programs are conducted.
- Monitor the issues, concerns and attitudes of key legislators and officials who may support or oppose various aspects of World Learning's mission and activities.
- Track critical issues, events, problems and/or plans of interest to World Learning's senior management.
- Develop an in-house legislative and executive branch information resource collection (directories and data base) to facilitate World Learning's governmental relations activities.

2. ANALYSIS AND REPORTING

- Provide timely and accurate analysis of proposed and existing legislation or legislative developments of interest to World Learning's senior staff to include both substantive and procedural provisions and activities.
- Prepare weekly reports for senior staff that track and update all relevant legislation, and legislative, administrative and regulatory developments; alert senior management when urgent action is needed.

- Develop brief periodic analysis of the current governmental environment relative to World Learning issues, including key Congressional and Executive officials, offices and committees.

3. REPRESENTATION AND ADVOCACY

- Draft letters, testimony, statements, comments and similar materials for senior staff to present to legislative and executive bodies.
- Represent and/or accompany World Learning senior staff at hearings, government agency meetings, conferences, and meetings of other NGO's and similar groups.
- Recommend and develop advocacy approaches on issues specific to World Learning's activities.

4. COORDINATION AND LIAISON

- Work closely with the senior staff to help identify and develop appropriate information, advocacy and legislative strategies.
- Identify and develop professional relationships with key personnel in areas of interest to World Learning.
- Maintain continual liaison with appropriate Congressional staff members of both political parties to include committees, sub-committees, task forces or personnel staffs.
- Coordinate with other organizations, association, and World Learning offices regarding relevant legislative developments; perform similar liaison activities related to regulatory and administrative matters.
- Maintain liaison as necessary with appropriate federal agencies including the Department of State, the Department of Education, USAID and USIA.

World Learning

Section 6

The External Environment:
Advocacy and Coalition Building
"So You Want to Make a Difference"
Concrete Samples
Coalition Building
Community Assessment
A Framework for Citizen Participation

So You Want to Make A Difference

Advocacy Is The Key

By
Nancy Amidei

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Washington, D.C. 20009
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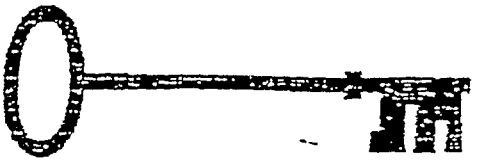
$10.00

Printed on recycled paper



INTRODUCTION

Welcome to advocacy. If you have ever spoken up on behalf of someone you cared about, then you have been an advocate. It's that simple.

There is a mystique surrounding advocacy—that you have to be an expert on your issue, or an expert in the way the process works. Not so. It is true that some kinds of advocacy require considerable knowledge and expertise, but advocacy is like anything else: beginners aren't expected to know as much as professionals, and the more you do it the easier it gets.

Even lobbying a legislator can be easy. All you have to do is develop a clear, simple message (a problem to call attention to, some useful personal experience, a proposal that you'd like to see enacted or rejected), and deliver it. That's it. If you can do that, you can be a policy advocate.

This manual is designed to give you some of the details you will need along the way, and ways to find more sophisticated help and information as they are needed.

So You Want to Make a Difference was written with three goals in mind:

- To help citizens feel more confident about getting involved in policy advocacy;
- To equip local leaders with some tools so they can teach others about policy advocacy;
- To stimulate involvement in democratic decision-making and provide information about key resources.

Throughout, the examples provided will show the importance of getting involved, and how ordinary people can make a difference.

Efforts like the "molar majority campaign," for example, are at the heart of what public policy advocacy is all about. The word "advocacy" sometimes conjures up visions of mass demonstrations and public protests, or well-paid lobbyists in expensive suits. But a lot of advocacy is just a matter of seeing a need and finding a way to address it. It means literally "to plead the cause of another"—which most of us do all the time on behalf of our neighbors, our families, our friends. Policy advocacy is the next logical step. It just carries that "pleading" into the political arena, and does it on behalf of people we may not know personally. It is a practical way to translate basic values like respect for human dignity or concern for troubled children into policies and laws.

Everywhere it is possible to find good people eager to get involved in working for healthier communities and a better future, but unsure how to go about it. Everywhere there are people who know they should be more involved, but can't think how to find the time in already busy lives.

Everywhere there are people who, for one reason or another, sit on the sidelines while others suffer—but want to act. They are the people for whom this was written.

Therefore: for everyone who wants to play a part in securing a better future, for all those organizations and groups desiring to extend their effectiveness, and for all those citizens who want public policies to do a better job of responding to human needs... this was written. It is intended to help individuals and groups engage their neighbors, their colleagues, and their organizations on behalf of better social policies.

How To Use This Manual

Since much of the material that follows is information most people know but just haven't thought about lately, in many ways it is like a "refresher course." Much of advocacy is like that. It depends less on material found in books, and more on lessons learned in the process of living: how power is wielded, how people are motivated, and how those with power are influenced. In short, it is about how government works and social change is won.

Throughout, that newly remembered knowledge will be applied to the idea of winning better laws and policies on behalf of vulnerable people in local communities and everywhere.

Think of it as a kind of road map, a guide through:

Policy advocacy

Our system of government

Practical ideas for getting started

Some of the "nuts and bolts" of advocacy, and

Additional benefits advocacy can provide.

Who Should Use This Manual?

Individuals will find many useful ideas in the material that follows. It gives concrete examples; offers useful advice; and provides valuable basic information about how public policies get made.

However working in *groups* makes advocacy easier, more enjoyable, and often more effective. Consequently, most of this material was developed for use by a group. Many of its suggestions assume the formation of a group, and joint activities with other groups.

Either way, the ideas presented are intended to get your imaginations working. Expect to adapt them to your issue or group. And don't think you can't accomplish anything if you don't belong to an advocacy group.

The starting place in your community may be:

- A church group or adult Sunday school class;
- A study committee within a civic organization or social agency board;
- A group of neighbors concerned about a problem (like the volunteers at a neighborhood center or food bank);

or

- A group already formed for another purpose (like the Knights of Columbus, Rotary Club, or Junior League).

Members in the group may be diverse, but all should share a common interest in seeking solutions to the problems faced by people in the community, and a willingness to take action to that end. Unless more people assume responsibility for the problems now plaguing American communities, they will get worse.

But whether as individuals or in groups, this manual is for *people who are unskilled in policy advocacy*. So, each part begins with a

story of a successful advocacy effort, or technique, which you can use in your efforts. There is also a "Civics Review" with information to help walk others—and you as their guide—through the process step by step. (If you are more experienced you may just want to skim the "Civics Review," and it always makes sense to add your own experience to the examples presented throughout.)

In the Appendix you will find some materials ready to copy, for use at meetings or workshops on advocacy.

It is not necessary that your core group be large or experienced. But, once the decision has been made to get involved, the initial steps are clear.

The First Task is to assemble a core group interested in pursuing the basic training needed to move from knowing little and doing less, to knowing more and accomplishing much.

The Second Task is to find and appoint one or more people to assume initial leadership. It helps if that individual lives in the community, is committed to the effort, and already part of your group.

The Third Task is to find a "home" for the activity. That means meeting space and the use of a telephone (e.g. in a church basement or United Way agency), but also support and encouragement. It could be set up as a project of an existing organization, as an entirely new entity, or begun as a project of something else but with a time-table for future independence. Whatever the arrangement, "moral support" will be very important to the undertaking.

And now, it is time to begin.

PART I

THINKING ABOUT ADVOCACY

If you answered "yes" to two or more of the questions, then you are an advocate, because each is an example of advocacy.

- The first is "self-advocacy," something we do all the time when we speak up for our selves or our families.
- Second is an example of "case" advocacy, which often involves helping someone deal with a complicated bureaucracy.
- Third is an example of "public (or community) education," which is another form of advocacy.
- Fourth is an example of "administrative" (or regulatory) advocacy, which includes responding in writing when a governmental unit proposes a change in its rules and invites public comment.
- And fifth is an example of "legislative" advocacy, or lobbying. Almost anything done to influence a legislator's vote testifying, speaking, writing a letter falls here.

Many people hesitate to get involved in advocacy because they equate it with activities they aren't comfortable with—like demonstrations on the Courthouse steps or public protest. Those are legitimate advocacy strategies, but they are only part of the story. "Advocacy" covers a range of activities broad enough to include just about everyone, in just about any kind of setting. And most are things we already do for ourselves, our neighbors, our friends. Policy advocacy just carries it into the policy arena.

It helps to keep a few underlying principles in mind.

Advocacy assumes that people have rights, and those rights are enforceable.

Advocacy works best when focused on something specific.

Advocacy is chiefly concerned with rights or benefits to which someone is already entitled.

And policy advocacy in particular is concerned with ensuring that institutions work the way they should.

These last two points are related. You have a right to accurate tax bills; your neighbor has a right to his social security. Speaking up to protect such rights isn't unreasonable.

You wouldn't just pay unfair tax bills or give your neighbor a list of soup kitchens and suggest he adjust to life without social security. Instead, you take action to make

certain that the government systems involved (the tax office, the social security agency) operate according to the law. That's policy advocacy.

Anyone can be a policy advocate who is willing to:

- Speak up;
- Help others get benefits to which they are entitled;
- Challenge government systems when they don't work;
- Work for laws, budgets, and policies that do work; and
- Be a voice for others (especially those with troubled lives) with policy-makers.

Ours is a system that works well for anyone with knowledge of, and access to, the political process. It works less well for those who either don't know how to get involved, or who face problems in getting involved—like children, poor families, and the mentally or physically handicapped.

SIX GOOD REASONS TO GET INVOLVED

This is where you come in. As Americans we pride ourselves on having a system that's fair and open to all no matter what their age, or income, or race. But that does not just happen by accident, and neither will last years' prior victories stay won without vigilance.

Left on their own, some groups (e.g., "crack" babies, retarded citizens) tend to be voiceless. How they fare in the political process depends on the role that others are willing to play on their behalf. And when those "others" (i.e. you and me) fail to get involved, too often the voiceless get left out.

Fortunately, when more of us get involved, wonderful things can happen. All of the legislative victories of recent years—civil rights for people with disabilities, child care for working parents, health care for low-income families, more community-based services for the mentally ill, fairer budgets and tax systems, child welfare services and nursing home reforms, and many, many more—are the direct result of advocacy. They represent a tremendous achievement through which millions of Americans have been helped to a better life, and in which millions of ordinary Americans can take pride. Getting involved won't always lead to victory, but not getting involved never does.

Besides, advocacy is fun. There's a tremendous exhilaration in winning, as well as a lot of satisfaction just in trying. But if making your corner of the world a better place and having a good time are not reason enough, here are six more.

Charity Is Not Enough

A lot can be accomplished by caring people who offer a helping hand. It's great to volunteer at a shelter, or donate toys to the local hospital. But that won't always be enough.

Donated toys are no substitute for a way to pay the rent, and families with a disabled family member don't need a shelter nearby so much as they need affordable housing and access to home-based care. Volunteers can't answer either of those needs unless they're also working for public policies to ensure the availability of low-cost housing or of the home-based services so many families need.

Even the nation's Catholic Bishops (no opponents of charity) acknowledged in 1988:

Charitable efforts cannot substitute for public policies that offer real opportunities and dignity....

That's where policy advocacy comes in. Without better public policies, many troubled families won't have what they need to be productive members of their communities. Advocacy can help change that.

Advocacy Has A Role For Everyone

It is possible to be an advocate by: informing others, writing or calling a policy-maker, organizing a grass-roots campaign, or helping in the background (e.g. doing the research or writing a check).

Advocates for better social policies can be found anywhere: in public agencies and private; in clinical settings and direct service projects; among volunteers and professionals; on the boards of community agencies and business roundtables; whether voted into office or just voting.

Sometimes individual effort is all that is needed. A Texas social worker with an irregular work schedule used to monitor the weekly City Council meetings whenever possible. One day she heard a dog owner complain to the Council about the unfairness of making him pay a license fee when cat owners paid none (a differential the Council chose to ignore).

Some time later she heard the Council consider a proposal to cut services at a mental health clinic, for lack of what seemed a relatively modest sum. During a break, she called the pound and the SPCA, collecting estimates of the number of cats in the area. Then she made a quick calculation to pass on to one of the Council members. It showed that if the same fee required of dogs were also applied to all of the cats, there would be enough money to maintain mental health services — and dogs would win "equity" with cats. The Council agreed, and the services were saved.

Some Problems Require A Broad Attack

Other times, individual efforts are not enough. For years, women's groups and child health advocates scrambled to line up free health care for individual pregnant women whose incomes were too high for Medicaid in their state, but too low to afford private insurance. Each time an uninsured pregnant woman came to their attention, some one went through heroic efforts to find the care and support she needed. Over time, several (or several dozen) pregnant women per community were helped in that way. But many more, equally needy women and babies were not.

That's why advocacy groups across the country decided to attack the bigger problem: state Medicaid limits that excluded too many low-income pregnant women. They worked to persuade Governors, state legislatures, and eventually the U.S. Congress to change the rules, and bit by bit they have been winning.

That required a rather sophisticated effort which included: knowledge of the laws, the efforts of a group, the help of professional lobbyists, and sustained activity over a period of months or even years. (One of those involved, Rae Grad, is a nurse who now heads the National Commission to Prevent Infant Mortality. She began her advocacy "career" by writing and sending out a little newsletter, from home, while her children were small.)

Each victory along the way meant the involvement of countless ordinary people along with the professionals, but each victory also meant that many more high-risk women and infants would get help—including those in small towns and rural areas where volunteer medical care and advocacy groups are scarce.

Any time we insist on helping only through one-on-one, voluntary activity, we make others dependent on the whims and fashions of charity. And we effectively "write off" everyone who lives where the charity that's needed isn't available.

Government Policies Affect Everyone

There are also self-interested reasons to get involved, whether the people needing advocacy are related or not. Everyone with an interest in the future, for example, has a personal stake in policies for children. Marian Wright Edelman, President of the Children's Defense Fund, once remarked that depending upon what we do now for the children, before long they will either be supporting us, depending on us, or shooting at us.

Every level of government is important and plays a part. Some examples:

- Local school boards are responsible for the schools;
- County and city governments operate hospitals, mental health clinics, and social services;
- State governments decide who gets welfare and whether child care is licensed and affordable; and
- Federal laws influence such matters as whether there is housing available at a price that working families can afford, and whether tax policies are supportive of families with low wages.

Some of the more visionary members of the business community understand. They reach out to meet immediate needs by forming partnerships with individual schools, and work through the political process to improve conditions in all the schools. Business leaders in Chicago, for example, lobbied the state legislature on behalf of education reforms, while on the national scene, the business executives who make up the "Committee for Economic Development" have become powerful advocates for greater government investments in prenatal care, child care, and education.

Democracy Is Not A Spectator Sport

In a democracy where every voice and vote count, doing nothing is a political act; it's a vote for the status quo. Staying out of the process doesn't mean that laws won't get passed, it just means they will get passed without reflecting your priorities and wishes, or those of anyone you might speak for—especially those who've been disabled or abused, ill or in pain, troubled or poor.

If you feel intimidated or uncomfortable at the thought of speaking up or otherwise getting involved; if you've been thinking it is enough to be informed about the issues and cast your vote intelligently; then it's time to think again.

If you went to a restaurant just to read the menu you would be informed—but you'd be missing the point. At some point you have to decide what you want, what you're willing to pay for it, and engage with other people to get it.

That also applies to your role as a citizen in a democracy: being informed is not enough. You have to decide what you want from your government, what you are willing to pay for it, and engage with your elected representatives so they can help you get it.

Politicians Are People Too

Many city, county, and state elected officials work part-time in their political roles (often for very little pay), and the rest of the time in their family/bread-winning roles. They have little or no paid staff, and no magic way of knowing what is on the voters' minds. Nor can they afford fancy polls or surveys. "Feeling the pulse," as one local official said, "is often accidental." Unless constituents tell them, they don't know what people think.

Another problem arises when legislators must vote on matters outside their personal experience, and don't have any real feeling for the consequences of their votes. That's why a Utah state senator tells advocates to expose their elected officials to their issues in very human, personal ways. Invite them to spend an hour or two with emotionally disturbed children, she suggests, or to have dinner at a welfare family's home. This is a challenge just ripe for creative solutions.

For example, the women in one western state used the occasion of "Domestic Violence Awareness Month" to call relevant officials (the Attorney General, county attorneys, police and sheriffs' departments) every time a battered woman sought help at a domestic violence shelter that month, and tell the women's stories. It was their way of making the officials more aware of domestic violence.

A St. Louis-based group called ROWEL (the Reform Organization for Welfare) uses another approach: they've developed a "Welfare Simulation." During an hour which is structured to correspond to a month, elected officials (and others) play the part of someone who is elderly, disabled, poor, or on welfare, while others play the part of such community resources as the welfare and food stamp office, the church pantry, the pawnshop and grocery store. During the Simulation participants are subject to the welfare rules in their state and told that their job is to survive. The experience, however brief, reveals how hard it is to be poor in America—and how difficult it can be to get help. (The Simulation can be purchased and adapted for use anywhere.)

Above all, advocacy is a frame of mind. As everything mentioned thus far should make clear, advocacy is first and foremost a mindset—not a job title, occupation, or role in life. Whether it involves a single individual like the woman in Texas, or a group like the people in Washington State, advocates see opportunities when others only see obstacles, and work to change the institutions causing problems for everyone, rather than wait until after-the-fact or be satisfied with easing problems one-by-one.

FIVE CRITICAL STEPS

Conditions will vary from place to place, but a 5-10 person committee is usually a good place to start. Sometimes they'll come together out of a shared concern, or because they are looking for new ways to be effective against old problems. Other times you'll find yourself drafting people.

Once they are assembled, you'll need a plan. When it comes to working out an advocacy plan, there are probably as many formulas as there are advocates, but most include the following five ingredients in some form or other.

1. Identify your issue, and goal(s).

An *issue* is just the problem that affects a significant number of people, and that you wish to do something about. For example, if child abuse is increasing in your community, that might contain a good issue.

Your *goal* is what you hope to accomplish, the objective toward which your advocacy efforts are directed. Ending all violence against children, for example, is a laudable long-term goal, but it is too sweeping for most groups to build an advocacy plan around. For starters, few could command the resources required, or even know where to begin.

Increasing the number of child protective services staff, on the other hand, is a narrower goal, but one which could help many vulnerable children. Moreover, it is specific enough to build a plan around and possibly win—and it is consistent with the long-term goal. From an advocacy perspective that makes it a better choice. (You will save yourself a lot of grief if, early on, you define your issue and goals as clearly and specifically as possible, and relate both to your resources.)

As you plan, it is important to be sure you represent those you are speaking for, and not just your own ideas of what is needed. Good advocates—like the organizers of the Molar Majority—do. What their constituents wished is what they pursued. Nobody likes to be spoken for without being consulted.

This is something every good advocate grapples with; it is especially sensitive if the people involved are mentally competent but frightened and overwhelmed (for example, someone who's just been diagnosed as HIV-positive), or unable to speak for themselves (for example, mentally retarded infants).

Who can speak for them? One answer is to rely on surrogates, like family members or a group whose members are similarly affected. A good test is to ask who *YOU* would want as your advocate under similar circumstances—a doctor? your family? a court-appointed ethicist? an advocacy group? And what if you were just unsure how the policy process works—would that give someone else the right to speak for you? *This is one issue you have to think through carefully, and plan for, in advance.*

2. Get the facts.

There are few worse advocates than people with good intentions and bad information. Good advocacy plans are based on solid facts, not anecdotes, guesses, or whatever happened to make it into the media.

It is easy to assume the worst (about the mental health system, government bureaucrats, local schools), based on an anecdote or two. A quick fact-finding effort can help establish whether the anecdotes are the exception or part of a pattern.

It is also important to establish what is causing the problem and where you need to intervene to alleviate it. It won't help to complain to your United States Senator about

local welfare grant levels; they are decided by Governors and state legislators. Nor does it work to fuss at state legislators over Head Start—which is federal.

Make a check-list of what you need to know to proceed, and make assignments for getting it. Collecting information about a problem or its possible solution isn't all drudgery. It can be a good way to get your volunteers invested in an issue, and fact-finding is something even shy people can do.

Getting the facts may require some research or a survey of your own, but there is a staggering amount of information already available. Try that route first. There are studies, reports, surveys, planning documents, testimony, commission recommendations/task force proposals. They're available from state legislatures, government agencies at every level, at universities, and in the files of countless not-for-profit groups. Local advocates and chapters of national groups are a good place to start (for example, a statewide child advocacy group would have good basic statistics related to children in your state, and the state chapter of the Alliance for the Mentally Ill would have good information on needs and services related to mental health), as are state chapters of professional organizations (for example, the American Public Health Association or the National Association of Social Workers).

3. Develop a strategy.

Once you've got your issue clearly defined, and you've learned as much as you can about the problem and who's responsible for it, it's time to map out a strategy. Advocates spend a lot of time reacting to others, but good advocates are pro-active as well.

Having decided on an issue—e.g. increasing the number of child protective services workers, you will need to make that goal more specific—e.g. how many more? by what date? Developing an advocacy strategy is a lot like the process you'd go through to organize a fund-raiser or put on a show.

You'd draw up a plan, set some goals, and make a calendar with deadlines for achieving them. You'd make lists; think through who is good at what; get a good committee; and recruit volunteers for the other jobs needing to be done. Early on you'd figure out how much you can spend, where it will come from, and who will be responsible for the practical details (for example, budgets, signing correspondence, keeping records).

As you develop your advocacy strategy, be honest about your capacities. Suing the department responsible for child abuse might seem appealing, but it is a costly strategy that requires attorneys on staff, or willing to work for free. You need to consider the personnel and dollars required for various strategies, as well as how long they'd take before showing results. A small group that is new to advocacy might do better to begin with something time-limited and very specific, whereas a group with well-established community ties and an experienced staff could consider something more ambitious and long-lasting. (Working in coalitions is one way to include elements of both.) Think through what you can do alone, and also what kind of help you might recruit if that's what is needed.

Finally, you need to consider the less tangible but ever-so-critical matter of "style." Welfare rights groups and the Junior League both support welfare reform, but their styles in approaching the issue will be different. Your advocacy efforts reflect on you and your group; plan your strategy accordingly.

4. Get to know the decision-makers and their staff.

"Knowing" the players isn't just a matter of being able to list their names.

Decision-makers are like anybody else: they don't like to be approached only when you want something, and they are appreciative if you take the time to understand the constraints they face. It always helps to recognize their needs: offer to do research, help in a campaign, pitch in when they need extra hands. It won't go unnoticed. Effective advocates cultivate relationships with decision-makers and their staffs over a long period of time, and understand the process well enough to know when to ask (or not). You shouldn't try to get a bill introduced at the end of a session, for example, or seek funding for a project after the budget has been set.

Getting to know the decision-makers has another clear advantage: it teaches who has what kinds of power at varying levels of government, so you won't be asking for things they cannot deliver.

A state-wide "Human Services Coalition" in Utah holds monthly meetings with key staff from the Departments of Health and Human Services. Over the years those Friday afternoon sessions have provided an effective form of feedback about program operation to the policy makers. But they also offer a way for advocates and policy makers to get to know one another in a collegial and non-adversarial setting, while learning what different staff can—and cannot—do.

5. Broaden your base of support.

Children's organizations may be the logical place to start if you are trying to improve child protective services, but older relatives also feel outraged by child abuse and senior organizations might be very interested in policies to protect their grandchildren. So might a local school of public health, or local merchants.

Think how striking it was when business executives joined forces with labor union leaders to consider proposals for national health care, or when sheriffs testified in favor of domestic violence shelters. Alliances like that are striking because they are unexpected, and signal that support is broader than previously supposed.

At some point you might wish to form or join a bigger coalition, so that is discussed in the next section. For now it is enough to note that in the world of public policy, success often depends on being able to show a broad range of support, and an absence (or neutrality) of the likely opposition.

WHO ELSE TO INVOLVE

You've gathered your information. You've developed a personal citizenship fitness plan. Now it's time to think once again in terms of your group.

As you think about who to involve in advocacy, you may be thinking about people with lobbying experience, or those who are known for having strong opinions. They should be included, but you'll miss a lot of talent if you stop there. In politics there are two rules—Rule # 1 is: "nothing happens over night;" and Rule # 2 is: "you can't change Rule # 1."

So when you think about the traits that produce good advocates, look for perseverance.

Good advocates, it's often said, can always be recognized by their running shoes; they are

the marathon types who pace themselves and never give up.

Next, look for a couple of noodges, sticklers for detail.

A lot of advocacy turns on small details and basic courtesies like thanking every city council member who supports your position, or following up meetings with state legislators with a personal note. President Bush still writes short, personal notes to thank people for their efforts, something he has done throughout his political career.

A third trait to look for is passion.

That's not the same as volume or drama — it's possible to feel passionately about social justice while speaking softly and working quietly. But it is what those Arizonans had. They weren't expert lobbyists, but they knew about mental illness first-hand, as family members, former patients, and professionals. This wasn't just a job for them, they cared.

Fourth, seek modesty, people who don't need the spotlight.

You can accomplish a lot in politics, the old saying goes, if you don't care who gets the credit. Often the advocates are working behind the scenes doing the leg-work, making the phone calls, drafting the speeches and letters-to-the-editor while the elected officials are getting their pictures in the paper and the plaques on their walls. Some of the best advocacy is felt rather than seen.

And don't be afraid to start small.

That's normal. It would be great if half the people in your group wanted to join in your advocacy effort from the start, but that is neither likely nor necessary.

Most advocacy efforts begin with, and are sustained by, small groups of dedicated people. Commitment, not quantity, is what counts:

- One grieving mother started M.A.D.D.;
- Three people stood at the South African embassy to challenge apartheid;
- A handful of families with terminally-ill members brought the hospice movement to America.

Sociologist Aldon Morris notes that only about 10-15% of the population sustained the civil rights movement. That's not surprising. There's never a time when most people are counted as activists, nor is that needed. What is needed is a core group of people serving as catalysts; they'll do the detail work and infuse other people with their passion.

Your job is to find and cultivate your group's "10%:" the people needed to sustain the efforts over the long haul.

A Special Word About Boards

There is a tendency in the non-profit world to think of Boards of Directors in terms of their ability to raise money and offer expert advice. That's not bad, it's just short-sighted. The greatest assets a social agency's board members may represent are their access to decision makers, their credibility in the broader community, and their power — all of which can be harnessed on behalf of the agency's mission and clientele. Board members often have an easier time getting appointments with legislators or a Governor's staff, and are likely to know other community leaders. That's a valuable asset.

If your Board does not have an advocacy plan of its own, develop one. Board members can educate their peers in the community,

help deflect community fears, organize public forums, and lobby. In addition, they can make the case that human services represent jobs and income to their communities, as well as services to vulnerable families. That alone is a form of power, but one that is too often overlooked. The Oklahoma legislature allocates more money per capita to non-profit youth-serving agencies than any other legislature in the country. That has been true ever since the agencies agreed that their Board members would lobby on behalf of their programs and "their" young people. Potential Board members who are not comfortable with the requirement are helped to find service on some other Board.

DON'T FORGET

Even though there is much about advocacy that is common to many other undertakings, there are a few special things worth keeping in mind.

- Whatever your long-term goal, try to build in an early, easy victory that's related to it. Nothing motivates like success and nothing discourages like inaction. Since advocacy efforts often move slowly, it helps to involve your fledgling group in anything that is consistent with your larger goals and likely to happen (or easy to win)—a small victory, but a victory. They'll share some of the credit, and be more willing to press on.
- Sort out which parts of your goal need government action and which can be accomplished without it. The strategies and personnel involved in each are often different, and the two should not be confused. Besides, elected officials don't like being asked for help that is available through the private sector, and vice versa.
- Expect to compromise. Evelyn Burns, who taught for many years at Columbia University, used to remind her students that compromise is part of politics; the trick comes in knowing when a compromise is acceptable. A small version of something good was usually all right, she argued, because you could always build on it in the future. But it is never good to agree to institutionalize something bad; once begun, bad practice is hard to stop.
- Remember what motivates you. Some advocates have a tendency to cite one terrible statistic after another, piling up every grim possibility imaginable. You'll need facts to be credible, but people are rarely moved by statistics, no matter how dramatic they may be. Michael Harrington, one of the great anti-poverty advocates once wrote, "a fact can be rationalized and explained away; an indignity cannot."
- Humanize your facts. Talk about people you know, not faceless categories. Hardly anyone would say "yes" to helping a statistic, but the reverse is also true—most people have a hard time denying help to someone they feel they know.
- And never forget to point out the good that will be accomplished; beating policy-makers up with bad news is more likely to paralyze than persuade.

What moves people is not just grim statistics but "a cocktail of fear and hope." The bad news may all be true, but good advocates offer policy-makers and fellow-citizens the hope that something can be done to turn it around.

PLANNING FOR ACTION:

A Do-er's Dozen

Here are a dozen items to guide the planning for your advocacy efforts. It is especially important to have clear answers to the first 5 before moving ahead. And remember, anything costly, controversial, or likely to involve major change takes longer.

1. Issue
2. Goal(s)
a.
b.
3. Who is the Advocacy for?
4. How will they be involved?
5. Who are the key policy-makers?
6. How much will it cost?
7. How will we raise the money?
8. What staff/volunteers are needed?
9. What strategies should be used with — (Use extra page)

a. Own staff, board:	
b. Own members:	
c. Media:	
d. Decision-makers:	
e. Community leaders:	
f. Other groups:	

10. What is the timetable? (Use extra page)
11. Can we do this alone?
Yes ☐ No ☐
12. If we can't do it alone, who else should be involved?

Part IV

NUTS AND BOLTS

You've got your issue, you've put together a committee, you've drawn up your strategy (ready to be revised as needed), you've reminded yourself how the process works.

Now it's time for the practical details, the nuts and bolts of serious policy advocacy: building coalitions, testifying, lobbying, becoming part of the process.

Take a deep breath. Here we go.

BUILDING COALITIONS, BROADENING YOUR BASE

The most obvious reason for building a coalition is to increase your numbers. But there is a subtler reason as well. Life often feels hectic, disjointed, too busy. Modern communities are full of families with busy lives and no close relatives living near by. That proves especially hard when tragedy or trouble strikes. It also takes a toll on the neighbors and friends who would like to help but aren't sure how to get involved.

Coalitions offer a way. They can provide a means for communities to come together, to learn about common problems, and set some priorities for services of mutual benefit to everyone. And because they represent bigger numbers, there are more people to share the work. One small group, or working people with limited time to give, won't have to do everything.

Coalitions are particularly well-suited to advocacy strategies. They show a commitment to think ahead, anticipate alternatives, and achieve political results.

State and local coalitions:

- Combine community resources,
- Offer a forum for thinking about community problems,
- Reduce competition for funding and volunteer time,
- Provide an efficient way to work with community agencies,
- Offer support and expertise to small groups, as well as a network for families with special needs.

By working through coalitions, your group can do more than you could do on your own. Three steps will get you started.

Identify a Convener and Likely Coalition Members

You may want to be the convener, calling others to join in with you, or you might consider whether there are other groups with more experience, community standing, or staff (for setting up meetings, keeping notes) who would be better suited to the role.

Whether you wish to convene the group, or persuade someone else to, you'll want to have a list of likely coalition members in hand. Think of everyone with an obvious interest in the issue at hand, and then try to add groups that aren't so obvious. It helps if from the outset, your list of coalition members suggests breadth as well as self-interest—like maternity care advocates plus senior citizens, or the Florida police who linked up with after-school care advocates because children in organized programs are less likely to get in trouble with the police. (Their slogan: *Cops Care for After-School Care.*)

Select a Good Issue.

Some issues are too narrow (or too localized) to warrant a coalition, and you don't want to get a reputation for calling for coalitions anytime you can't handle a job. But anything that affects the community at large (environmental hazards, Medicaid eligibility limits, boarder babies, whether food is taxed) might be a good issue for a coalition.

Call an Organizing Meeting to Set a Goal.

If you think you've got a good issue, and you want to see community agencies work together to resolve it, try the idea out on some key community players and invite them to join you at a brown bag/brain-storming lunch. You'll quickly discover whether there is enough interest in your issue—or whether there is something else on which you can all agree to work.

THE OTHER SIDE

Despite the many benefits of working together in coalitions, some groups hesitate to join. *Drawbacks include:*

- Logistics become more complicated. It is hard enough to set up a meeting with six people you know; convening a meeting of thirty organizations, some of whom you know only by name or reputation, is much harder.
- Getting agreement is harder, e.g. on who votes, who takes responsibility for what, and matters of style.
- Credit, as well as blame, gets shared. Your group won't get as much visibility, and if some members of the coalition behave badly, all may be tarnished. There is also the fear (unfounded) that everyone in a coalition has to agree with everything every member says or does.
- Decision-making must be shared. Some organizations have by-laws or Board structures that make it hard to submit to group decision-making.

Happily, there are good answers to most of the above. For example:

- Responsibility for logistical support can rotate among groups.
- "Key Contact" lists can identify decision-makers from key groups who can speak for their members on short notice, and can quickly disseminate information throughout their networks.

- It is possible to set up a time-limited, single-issue "campaign" rather than an on-going, multi-issue "coalition."
- Endorsements can be structured so that member groups can opt in or out provision-by-provision. Or participants can agree that for purposes of a particular campaign, every group on the list will promise not to work AGAINST any other group on the list. They don't have to work FOR what someone else wants, they just won't allow the politicians to pit one against another for now. (This device has occasionally even enabled pro-life and pro-choice groups to work together in coalitions.)

WORKING WITH THE MEDIA

Whether an issue gets the attention of the politicians may depend on whether it has the attention of the media.

Child care standards are a good example. They got very little attention until some dramatic stories turned up in the media of children harmed while in unregulated care. That drew attention to the issue, and also gave worried parents a forum in which to express their concerns. Legislative hearings followed, as did many more state laws requiring that basic health and safety standards be met by child care providers.

There are so many issues competing for the attention of decision-makers, that good advocates need to work with the media to get action. That's not as hard as you may think.

The Federal Communications Commission requires broadcasters to solicit the views of the community, something usually done at sessions known as "ascertainments." Normally the broadcasters invite in a variety of individuals to speak for the community. But you can call or write and ask to be included in the next ascertainment – that gives you an opportunity to educate the media and encourage better coverage of your issue.

The Media Include:

- Newspapers, magazines, newsletters (including those put out by your church or any groups you belong to);
- Television (news, features, and Public Service Announcements – PSA's);
- Radio stations (especially news, features, talk shows, and PSA's).

Ultimately, "the media" are just individuals, including people you know. If you watch for the names at the top of news stories and regular columns on issues you care about, and listen for the names of the producers and editors of any radio shows that might be interested – then you can ask for them by name. If you can't get an individual's name, use a title. "Assignment editor" is one that will often get you the right person, or "Producer". You need to get your issue known and talked about as much as possible, and the media are your route to that end.

It helps to realize that the media are like most institutions: white men still hold most of the high-ranking positions, so they get the preferred, day-time hours. On the weekends, women and minorities tend to be in charge. If your story is rejected by the regular assignment editor, try again on the weekend – you may get a different response.

Effective Media Work Includes:

1. Learning how to write a press release.

2. Making calls directly to news organizations.

3. Establishing a relationship with reporters who cover social issues.

4. Observing deadlines (don't call a tv station at 4:00 p.m. with an item for the 6:00 p.m. news; don't bother radio reporters just before airtime; give everybody plenty of "lead" time for a complicated story).

5. Considering their needs (tv shows need something to film; radio shows need something understandable through sound; newspapers are more likely to use numbers and to do interviews by phone).

6. Being accurate (you won't get trusted as a source, or called a second time, if you feed reporters unchecked or shaky information).

The advocacy community itself is a good resource when it comes to working with the media. Some have publications to help members present particular issues to the media (like the Child Welfare League of America's booklet called "How To Speak T.V."), or workshops and role-playing sessions on how to deal with the media. Sometimes national advocacy groups try to help local advocates win media attention—as when the Food Research and Action Center sent local hunger advocates advance copies of a report on childhood hunger, and worked with them to set up local press conferences pegged to the release of the national data. In that way, advocates all across the country were ready when network affiliates and local newspapers wanted a local angle on the national story, and the media coverage was better than it would have been. (State-level advocates can use the same approach with their local affiliates, to get better state-wide coverage.)

Don't Forget

As intimidating as the idea of working with the media may seem at the outset, you are media consumers. That means you can invite someone from the local media to explain to your group how they work. Remember also that they're always looking for good stories, and you may have one.

One word of warning: never say anything to a member of the working press that you wouldn't want to see, attributed to you, in the news the next day.

TECHNIQUES FOR THE POLITICALLY SHY

Across the country, community groups have been developing their own, easily-adapted ways of influencing policies. Often they serve more than one end. Below are some examples of techniques that can be used.

For those who are just getting started, or trying to get other advocacy neophytes involved, it helps if the advocacy effort is

Easy Fun Low cost

&

Able to attract the media.

Calendars

A child advocacy group in Topeka, Kansas wanted to be sure their legislators knew the basic facts about Kansas children, so they made up a Calendar with 1 page for each of the 12 weeks in the legislative session. On the days of the week they entered the birthdays of the legislators, and in place of the usual pretty picture, they put a "fact of the week" about Kansas children. Everyone enjoyed displaying the calendars (to advertise their birthdays), and along the way a lot of legislators, lobbyists, and staff learned *12 key facts*

about Kansas children. Subsequent calendars have included the baby pictures of the Governor and various legislators, and were sold to raise money for the group.

Calendars can be developed for any issue, in any state, and the volunteers who compile the legislators' birth dates get a non-threatening experience in calling a legislator's office.

Educational Petitions

Advocates for the hungry and homeless in Phoenix used their annual Christmas fund drive to gather names on a petition. Every time a donation was made, the donor was asked to also sign their petition. It read something like, "We the undersigned are doing our part to meet food and shelter needs in our community. Now we are calling on our legislators at all levels to do their part and adequately fund the programs to help vulnerable people." They made the point that charity alone is not enough in a way that educated the voting public, and sent a message to their elected officials.

Combine Post-Cards with "Runs"

A common way to raise money for local services is to get pledges for every mile someone walks or runs. A group in Milwaukee used one such occasion for a little lobbying. At the rest stops they had post-cards, and the names and addresses of local legislators. Anyone stopping for juice or water could also write a quick note in support of the object of the run. The group in charge got the names and addresses of those who wrote cards (individuals who may be interested in taking a next step), as well as a possible media story.

TECHNIQUES FOR WORKING WITH POLICY-MAKERS

When you are ready to deal directly with policy-makers, the same general rules apply. Whenever possible make it: easy to do, low cost, and enjoyable for people to participate.

But also:

Be informed *Be concise*

&

Be clear about what you want.

Don't be embarrassed—as a citizen and advocate, your job is to ask; their job is to be asked. And don't be intimidated—if you don't know an answer, just say so and promise to get back with the correct information.

Tuesdays on the Hill

The Greater Minneapolis Council of Churches wanted to make it easier and more comfortable for congregants to come and lobby their state legislators. They couldn't eliminate the distance or time involved (two major barriers), but they could eliminate the other reasons people stay away: feeling inexperienced, or uninformed.

Through church bulletins they advertised that anyone who wished to lobby on social justice issues could come on Tuesday mornings, about two hours before the legislature began. The time would be used to make people smart: do briefings, explain bills, provide fact sheets, and answer questions.

They also did something very smart: *they paired those who'd never lobbied before with an experienced "buddy."* First-timers didn't need to say anything unless they wanted to; just being there would make a contribution. After tagging along with a more experienced person a few times, almost anyone feels competent to

lobby on their own—and even take someone else who is less experienced.

Anything can be intimidating if it's never been tried before. Letting newcomers tag along and watch the veterans has enormous value. It's something all good teachers (coaches, trainers, bosses, parents) understand: children learn by example; medical students learn by observing; old farmers show young farmers how to operate the machines. Policy advocacy is no different. It's possible to read a book and just plunge in, but watching someone more experienced the first time or two makes learning so much easier.

Legislators as Moderators, or Panelists

If you already know your legislators' positions, but wish they knew more about yours, there are several models to draw from.

A human services coalition in Connecticut invites key legislators to moderate panels (not as speakers), and uses the panelists for what amounts to a *seminar* for the legislator. (This is well-suited to explaining some complex community issue not easily summarized in a fact sheet.)

A South Carolina group used the workshop period of their annual conference to hold "mini-hearings" at which their members were the witnesses, and key legislators were the moderators. The legislators gave tips on what makes for good testimony, the participants got a brief (three minute) exposure to testifying, and everyone learned from each other—including the legislators who were, in effect, being lobbied. (This same device could be used in inviting a legislator to a university class, or to a group's membership meeting.)

In North Carolina, a mental health organization used the workshop sessions at their annual conference for specially-constructed panels. Each panel consisted of three consumers of state services, plus two legislators and a moderator. Among the consumers was the parent of a severely retarded child, a recovering alcoholic, and someone with a mental illness. The legislators learned firsthand how the laws were being implemented, and also got a glimpse of needed changes. It was another effective way to use a conference workshop session to lobby.

Announce a "Call-in Day"

Often the people you'd like to involve as advocates can't get to the state capitol or a meeting with their legislators. That might apply to anyone with a limited income, demanding job, physical handicap, or troubled child. But it is very important that their voices be heard, and "call-in days" are one way to make that possible.

Texas groups representing the disabled used their newsletters to announce that the day after a "Lobby Day at the Capitol" would be a "Call-In Day." Everyone was urged to make three phone calls: to the Governor, their legislators, and the Speaker of the House. A sample "script" was provided. That way, members of the legislature spent one day in personal visits from those who could get to the Capitol, and another day on their phones with calls from those who couldn't visit personally. It was doubly-effective without being twice as costly.

During federal budget-writing time in 1991, the Citizen's Budget Campaign used national call-in days to involve more citizens in the federal budget process, especially on behalf of pressing human needs.

Send Thank-You Notes

Politicians deserve to be thanked for policies that work and budget decisions that

help make a difference. And, they're likely to remember those who thank them.

A multi-purpose social agency in Northern Wisconsin encourages the beneficiaries of one program each month to write thank-you notes to the legislators who determine their fate. In mid-winter the recipients of energy assistance write and in summer the youth in summer jobs write. Twelve times a year the legislators learn about the consequences of their votes, as well as good reasons to support the programs again.

Reward Good Government Action

If policy makers only hear from those who want less government, they'll think cutting back is always the best response. Advocates can help provide another perspective.

In North Carolina, the Child Advocacy Institute gives awards to the counties that do the best job of serving eligible children. Counties with the best records in reaching the most WIC-eligible, AFDC-eligible, and prenatal care-eligible mothers and children get honored at their annual conference. Program administrators, media representatives, and local elected officials come from the winning counties, along with a five-minute slide show presentation of their winning techniques. That sends a powerful message to officials and voters alike about the value of the programs.

Compile Success Stories

Politicians can't afford to be identified only with losing causes, which is how social programs often are regarded.

In Chicago, the Public Welfare Coalition is compiling a book full of welfare "success stories"—real families who have been helped by the welfare system and are leading productive lives.

Similar success stories could be compiled about former offenders or teen parents, about the victims of sexual abuse, or of former addicts who are now doing all right. *Success stories carry a powerful message that "at risk" does not mean "doomed."*

Stories like these can be used to great effect on lobbying visits or when making presentations in the community (for example, before the local American Association of University Women or Chamber of Commerce). It isn't enough to try and scare policy-makers and policy-influencers with grim statistics, they need some proof that what you are asking for works. It's that "cocktail of fear and hope" that prompts action, and hope comes in the form of evidence that we can make a difference.

Moral: As each example illustrates once again, advocacy is as much a frame of mind as it is a set of skills or knowledge. Advocates have a way of seeing opportunities and using them to get important social issues before the policy-makers and their staffs.

But working directly with legislators and policy makers is only one part of the job to be done. Getting the attention and understanding of the voters is the other. Good advocates are always seeking ways, large and small, to do both. They use information, fear, guilt, whatever helps...along with the evidence that what they are asking for works.

Policy analyst Steven Kelman says that political decisions "are the collective choices of people who disagree. Behind them stands the power of government." It is up to us to shape those "collective choices" behind which our government stands.

carried out; ZAN then accounts for the monies received to the major donors.

Mr E.G. Govathson, Zimbabwe AIDS Network, P.O. Box CY 3006, Causeway, Harare, Zimbabwe; Tel. 263-4-721-010; fax 263-4-720-301.

India

To provide legal support to people living with HIV/AIDS (PHIV), protect their rights and promote policy changes, the Bombay Lawyers Collective is networking with governmental organizations, local and national NGOs, and organizations in the Asia/Pacific region. The Collective is also collaborating with the National AIDS Committee (NACO), Government of Maharashtra, UNDP and WHO. Their HIV/AIDS-related activities include:

- developing and training a nation-wide network of lawyers to take up individual cases (25 have been trained so far, with training of at least 100 more planned for the next 2-3 years)
- litigating individual cases through the courts
- organizing workshops to develop critiques of Indian social, legal and ethical frameworks and to formulate policies which will protect the rights of those affected by HIV/AIDS
- campaigning for legislative changes such as decriminalization of homosexual activities and commercial sex work by organizing workshops, writing articles in newspapers and participating in television programmes
- campaigning for the enactment of a law covering such issues as non-mandatory HIV-testing, maintaining confidentiality regarding the serostatus of persons tested and non-discrimination of seropositive persons in public and private life.

The Collective's lobbying at the national level helped persuade the government to drop its policies of mandatory testing and isolation of PHIV and to adopt a policy of integration. This promotes testing only with informed consent and enables seropositive persons to live with their families in their own communities without discrimination.

The main obstacle experienced by the Collective in working together with other organizations is finding sufficient funding for travel, communication and workshops.

Anand Grover, Lawyers Collective, 4th Floor, Jalaram Jyot, 63 Ghogha Street, (Jammabhoomi Marg), Fort, Bombay 400 001, India; Tel. 91-22-283-0957; fax 91-22-287-5033.

SPECIAL ARTICLES

Experiences of NGO networks working on HIV/AIDS

To prepare this issue of the *Exchange*, a questionnaire was sent to NGO networks in Africa, Asia, Latin America and some industrialized countries. They were asked to indicate the activities they carry out as well as problems and advantages encountered in networking. Eighteen responded; some of the findings are presented below.

Activities

The activities which the majority consider most important are: joint work in advocacy regarding policy development; sharing information, expertise and materials; linking up for events and activities; and providing training to further skills.

Other work carried out by and through networks includes: organizing workshops and seminars, maintenance of a resource/information centre, collaboration with the NAP (including assessment of project proposals) and helping members obtain funding for projects.

Network problems

The main problems faced by the networks are of two kinds. The first concerns organizational and funding issues. Sample problems and the solutions found:

- *The network's role is unclear:* a policy document is formulated for members' endorsement. It defines matters such as the network's objectives, membership criteria and underlying principles to guide activities and strategies. Some networks develop workplans to monitor their progress and achievements.

"I think it's useful for members to know there is one central place they can contact to get information about issues affecting them. The members don't have much time to spend on advocacy activities but recognize their importance and seem relieved that someone is tracking (at least some) of the issues on the policy level."

"The space for debate created by a network is an essential part of deepening our own understanding of the issues and reaching shared positions."

- *Activities and communication among members are hindered by a lack of manpower:* a secretariat is established to act on behalf of the members. Usually it is based at one of the member organizations although a few networks have independent offices.
- *Joint activities and communication are hindered by a lack of funds:* funding is sought from donors, membership fees are instituted, members take advantage of meetings which they attend in other capacities to discuss planned activities (e.g., national and international workshops and conferences).
- *It is difficult to reach consensus on issues requiring rapid responses:* authority to act for the network is allocated to a small steering committee or the network chairperson and/or secretariat.

The second type of problems concerns balancing organizational against network interests. A recurrent difficulty for many networks is that some members are particularly active while others just "go along for the ride". Time constraints sometimes make members passive regarding network participation: they are so busy with tasks for their own organizations that they have little time left for the network.

In other cases, members see their participation as a "one-way street" – they expect the network to benefit their organization but do not feel responsible for contributing to the network itself. When networks are just forming, some "distrust" of other members' motives and inexperience in collaboration may also contribute to reluctance to participate fully. Measures taken to tackle these problems are:

- organizing joint events so that members experience working together in a concrete and constructive way
- rotating the network chair and/or steering committee among members on a yearly basis
- drawing up covenants which require a commitment to participate in certain planned activities
- challenging the members to make them feel that they have a "stake" in the network by asking them to provide evidence of their work (rather than merely an "interest") in HIV/AIDS-related projects
- diminishing the need to attend meetings by increasing phone and correspondence contacts among members and with the network secretariat
- allocating responsibility for implementing certain projects to a member with specific expertise (e.g., training).

The advantages of networking

Despite the above-mentioned problems, the general consensus is that networks provide definite advantages to the organizations involved.

- The foremost advantage is that organizations have a focal point which acts on their behalf and helps them to exchange experiences. For example, networks are often able to collect more information than individual members. This clearinghouse facility enables organizations to share knowledge, ideas and resources. It also reduces the time spent by different organizations in answering questions on their programmes one by one (e.g., from the media). Such a central contact point can also assist members in getting access to and liasing with other agencies such as government and donors.
- The second area in which networks are useful is in encouraging and coordinating joint activities. Expertise and resources are maximized while duplication is avoided. Moreover, many NGOs recognize that they gain strength from joining together to campaign on important issues: by speaking with a united voice, they have more impact. Being able to count on a broader constituency, represented by the varied groups which individual members serve, also helps attract interest in a multisectoral response to the epidemic.
- Obtaining support is considered the third major benefit of networking. Organizations are linked so that they can take advantage of one another's expertise in specific areas. For example, one organization may second staff to another for some time in order to gain or provide practical experience in certain types of interventions.

Networking conditions

The respondents concluded their comments by mentioning conditions which need to be met if a network is to succeed:

- mutually agreed upon operating principles
- democratic leadership and transparency in proceedings in order to build and maintain trust
- a strong, committed and efficient secretariat and
- an adequate balance between public activities and internal coalition building initiatives.

Finally, it was remarked that it would be useful if experienced networks were enabled to assist new ones by sharing lessons learned. ■

LOCAL NGOs AND ADVOCACY FOR THE RIGHTS OF THE CHILD

Nigel Cantwell
Defence for Children International

Advocacy is now such a widely-used term in the human rights field that there is a tendency to take for granted that what it entails is equally well-known and accepted.

The reality is somewhat different. Advocacy is in fact the subject of several interpretations, or at least connotations, and in addition is frequently perceived as englobing forms of public information. Whilst the latter can certainly be supportive to advocacy efforts, a very clear distinction needs to be made between the two types of action. For the purposes of our discussion, the following essential definitions should provide an appropriate framework:

• **Advocacy** is basically directed towards bringing an issue to the attention of the relevant decision-makers.

• **Awareness-arousal** is an enabling activity, designed to provide the general public, or a specific sector thereof, with the information they need to become active and effective partners in securing increased respect for human rights.

It follows that the approach and skills required for advocacy on the one hand and public awareness campaigns on the other are very different, hence in particular the need to distinguish between them. This paper will focus more especially on advocacy, but since public awareness can, as noted above, constitute a valuable support base for advocacy efforts, it is worthwhile first of all to devote some attention to it.

Public awareness

It is an accepted fact that public knowledge about human rights is a vital element in ensuring respect for those same rights. Although they may be backed up internationally, public information campaigns are by nature necessarily carried out at the local or national level. Consequently, awareness arousal must be an essential component of overall NGO activity.

Such campaigns, especially if carried out directly by the NGOs themselves, are usually demanding and costly. In addition, it cannot be forgotten that

the public in most countries are not used to children's issues being broached from a human rights perspective or to reference being made to international instruments in their regard. This makes it important to ask a few basic questions before launching one: **who** needs to know about **what**, and **how** are they to be informed? In other words, is it cost-effective to think in terms of printing a brochure describing the contents of the Convention on the Rights of the Child in layman's terminology for distribution to every child and adult in the land? If not, which target population sectors should be prioritised – bearing in mind, inter alia, the potential "snowball" effect of sensitising certain groups such as teachers – and what material should they receive? If the help of the media is to be harnessed, what kind of information is likely to awaken their interest and secure their cooperation? Surely not a request that they print an article on the UN Rules for the Protection of Juveniles Deprived of their Liberty, but quite possibly some illustrations of special problems faced by children in the country's lock-ups, with a reference to the fact that such-and-such conditions are outlawed in those Rules, for example.

To be successful, an information campaign usually has to be focused on a topic for which public sympathy is already known to exist. If there is no such pre-disposition, other means of bringing about change will often be preferable – including, of course, direct advocacy – or the subject must be tackled from a standpoint most likely to create the necessary level of concern. The public at large will no doubt be favourable to defending the rights of children to education and protection from exploitation but, especially in societies where juvenile criminality is seen to be increasing significantly, will tend to be considerably less receptive to messages about, for example, the least possible recourse to deprivation of liberty for children in conflict with the law. In this field, human rights defenders are often charged with being more on the side of "criminals" than of the "law-abiding majority of citizens". Finding an appropriate and effective strategy for "getting the message across" may therefore constitute a major challenge, especially if counter-messages are being promulgated by others less concerned with objective justification and more intent on exploiting the emotional side of human nature.

Advocacy

Whilst public awareness and, by extention, a wide support-base can be of considerable help to advocacy organisations in securing the attention and agreement of decision-makers, care should be taken not to over-emphasise their importance. Strong and coherent argument invariably remains the advocate's essential tool.

Advocacy on children's issues is more especially designed to achieve the following:

view of the "best interests of the child" which deliberately neglects many rights set out in the Convention (protection of identity, prohibition of undue financial gain through the adoption process, protection of family ties, etc.) and is essentially equated with material wealth. They try to liken necessary safeguards (vetting potential adopters, procedures to ensure that a child is legally adoptable, etc.) to "bureaucracy for its own sake". They are paternalistic in approach. They have also made maximum use of public disinformation in support of their "advocacy" directed primarily at parliamentarians and senior civil servants.

The existence of these campaigns has special ramifications for the global Central & Eastern European region and the NIS, since it is common knowledge that children from several countries in the region have paid the costs of the activities they have promoted at different times in recent years: Romania, of course, but also Albania, the Russian Federation and Ukraine at least. Indeed, some countries were forced to resort to a complete temporary ban on intercountry adoptions, such was the scale of abuses. In the end, the combined efforts of national and international advocacy groups have helped to develop procedures and standards that respect the rights of the child, exposing the defects of the over-emotional and manipulative approach with, precisely, clear targets, well-documented cases and arguments based on accepted human rights texts. It would nonetheless be foolhardy to cry victory at this stage.

There are many other issues – such as the use of corporal punishment, harsh custodial sentences for juvenile offenders, etc. – where similar advocacy problems are still posed. At the same time, recognising that the very need for advocacy on children's rights issues of course stems from, at best, indifference, and at worst, opposition on various grounds, there is every reason to believe that the sober and meticulous approach, unflinchingly based on the letter and the spirit of the Convention, is the one most likely to win the day in the long run.

This is why, furthermore, advocacy organisations are not obliged to be large in the sense of having the support of a wide-based and significant membership. Some do, and that is viable provided that – without obviating the desirability of internal critical debate – there is a clarity of direction and purpose with which members feel able to identify consistently. The street children's movement in Brazil is one such. But there are many examples of small non-membership groups whose serious work has had an exceptional impact on children's rights in the countries where they are active, among them the Children's Legal Centre in the UK, the Bolivian and Israeli sections of Defence for Children International, PIDEE in Chile and the Children's Interests Bureau in Australia. Invariably, the key factor in advocacy is thus not the size or type of the agency carrying it out, but quite simply the objective justification of the arguments it can bring to bear.

• ensuring that national legislation is in conformity with international standards;

• ensuring that policy and practice are in line with that legislation.

The implications and ramifications of such action, particularly now that the Convention on the Rights of the Child is in force in all countries of Central and Eastern Europe, are vast. Over and above work on legislative questions, they involve:

• constant vigilence to monitor respect for the provisions of the Convention and of other pertinent international norms, with special reference to follow-up to the recommendations and concluding observations of the Committee on the Rights of the Child;

• persistence in keeping items of priority concern high on the agenda;

• serving as spokesperson for children and, therefore, ensuring that children benefit from mechanisms and channels through which their voice can be heard.

To carry out these tasks, NGOs need to have clearly-defined and realistic targets and, in addition to documented evidence of needs, solid legal arguments based on national laws and/or international instruments. This may appear obvious, but it surprising how many so-called advocacy efforts are, on the contrary, founded on a combination of:

• vaguely formulated and/or unattainable objectives
• spurious data and/or anecdotes
• ideological or "moralistic" positions.

Such efforts may meet with some degree of success, for a time at least. But however well-intentioned they may be, they are of no interest in the framework of advocacy for the rights of the child. Even if they purport to be in some way founded on the provisions of the Convention on the Rights of the Child – which is by no means always the case – they invariably promote an idiosynchratic interpretation and/or selective view of those rights. Regrettably, they often have to be actively combated as being, in the last resort, quite simply in opposition to the internationally-accepted rights of the child.

A case in point are the campaigns in favour of vastly developed and less "bureaucratic" (i.e. regulated) intercountry adoption that are waged in a number of "Western" countries, in particular but by no means only France, the UK and the USA. These campaigns have been founded on a deformed

Resource implications

However good their arguments, however, advocates everywhere regularly have to face the decision-makers' response that no resources can be made available for effecting the required changes. In most cases, this affirmation is blatantly untrue, of course, since a minor shift in resource allocation would usually be both feasible and sufficient. In addition, some proposals in fact involve savings in the medium term – a de-institutionalisation policy, for example – even if initial investment is required. Whatever the case, it is particularly useful to estimate the financial ramifications of the policies being put forward and to suggest how the cost might be met. This tactic is in fact rarely used by NGOs anywhere, but would be a highly effective way of demonstrating the practicability of their approach, thereby making their arguments that much more forceful.

In this regard, it is worth noting the fallacy that became tantamount to accepted fact during the development of international human rights law: that so-called economic, social and cultural rights have to be implemented progressively because they have resource implications, whereas civil and political rights are to be applied immediately because they do not. Much advocacy by NGOs is directed towards the civil rights of children – in the field of adminsitration of juvenile justice, for example – but regrettably takes little account of the need to foresee resources. Carrying out cost-effectiveness studies may not figure among the tasks with which child advocacy NGOs feel most comfortable, but acquiring skills in this area should prove worthwhile for optimal goal achievement.

By way of conclusion

Although there is no set recipe, the above enables us to set out a simple checklist that may be useful for preparing an advocacy effort:

- What is the precise nature of the problem that needs to be addressed?
- What case examples exist and what is the size of the problem?
- What is the national and international legal basis for addressing it (i.e. what right of the child is being violated)?
- Are there grounds for upgrading national legal standards?
- What decision-makers are best-placed to respond?
- What response could be suggested as appropriate?
- What are the resource implications?
- How can these resources be secured?
- Would some form of public awareness campaign be potentially favourable to the success of the advocacy effort?
- If so, who is the target, what should they know, and how should they be informed?

BUILDING EFFECTIVE COALITIONS AND COLLABORATIONS

TRAINING PACKET

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DEFINITIONS

ENDORSEMENT Approval or support of a concept or action that has already been conceptualized or completed by someone else.
EXAMPLE: letters of support

NETWORK A loose, open system, covering a broad base of agencies, organizations, or individuals with similar interests. Multiple parties who communicate ideas and information, and concerns. Networks entail an informal, non-binding relationship, where the interchange does not result in formation of an organization, setting policy or developing programs.
EXAMPLE: telephone trees

CO-SPONSORSHIP Like partnership, co-sponsorship is a joint venture. The agency lends its name and resources, including money and personnel, to a specific event or project. There is no intermediary organization created. Ownership of the project rests with the joint sponsors.
EXAMPLE: organizing conferences

COALITION An organization of independent organizations who share a common social change goal, and join forces to influence external institutions, while maintaining their own autonomy. Coalitions are usually formed for a limited or specific purpose and ultimately terminate or transform themselves into other forms of organizations when that purpose is met. Coalitions are characterized by both conflict and cooperation, and inherently experience dynamic tensions. Unlike collaborations, coalitions may be either short-term or long-term, single or multi-purpose, approaching several goals simultaneously.
EXAMPLE: working for policy or legislative change

COLLABORATION The process by which several agencies or organizations make a formal, sustained commitment to work together to accomplish a common mission or develop a specific project. Like coalitions, collaboration requires a commitment to participate in shared decision-making and allocation of resources related to activities responding to mutually identified needs. Unlike other interagency formats, collaborations are always established for very specific purposes, and directed toward tangible, measurable outcomes.
EXAMPLE: producing model projects

FEDERATION A membership association of organizations established to centralize certain common, beneficial functions. Federations frequently handle fundraising, publicity, training, lobbying, information processing, and policy development and determine behaviors and resource allocation for their membership.
EXAMPLE: Associated YMCA's

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ADVANTAGES AND DISADVANTAGES OF COLLABORATION

ADVANTAGES

COLLABORATIONS CAN HELP ORGANIZATIONS TO:

- mobilize collective action to effect needed changes
- advocate for a cause, expanding impact and taking risks that one organization would not take singly.
- enter creative new ventures, accomplishing things which one organization could not do alone
- achieve a greater potential impact
- effect change among the collaborators, themselves
- maximize scarce resources and attract new funds given to coalition efforts
- share and obtain more resources, advocates, and power
- build solutions together to complex problems
- publicize the work and priorities of their organization
- diversify projects and membership
- develop public support for an issue
- heighten credibility
- increase visibility
- cultivate a broader base of support for issues and positions
- interact with new sectors and

DISADVANTAGES

COLLABORATIONS CAN BE UNDESIRABLE BECAUSE THEY REQUIRE ORGANIZATIONS TO:

- cede unilateral control
- share power and glory
- trust people they have may never have worked with before
- assume collective responsibility for new projects
- assume collective risk/link reputation with others
- take a longer time than doing something alone
- share in-house expertise
- face potential conflict around desired goals, methods, outcomes
- lose autonomy
- enter into a larger organizational identity
- experience complicated decision-making and approval processes
- inculcate expense
- possibly confront hidden agendas
- possibly drain organizational resources

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people

- be enriched by diverse perspectives that different members from varied backgrounds bring to common concerns

- develop a greater understanding of client and community needs and existing resources by seeing the whole picture

- promote coordination/eliminate duplication

- identify gaps in current services and cooperate to fill the gaps

- expand available services by cooperative programming and joint fundraising

- reduce interagency conflicts and tensions by addressing issues of competition and turf

- improve communication with organizations within the community and their larger constituencies

protection for members

SOME ESSENTIAL COMPONENTS OF COALITION DEVELOPMENT

~~THE FOUR "C"s~~

The four key components of coalition-building -- **conditions, commitment, contributions and competence** -- must be assessed at ea stage of development. First, political, economic and community **conditions** must be right. Second, there must be a core group of people **committed** to achieve the goal. Third, they must be able to **contribute** and/or recruit from others the necessary ideology, powe and resources to reach the goal; and fourth, have the **competence** t manage both the social change strategy and the coalition's interna development.

CONDITIONS

Conditions must be right in order to successfully form a coalition or collaboration. Some conditions to consider include:

- Ability of the initiating groups to muster broad support
- Community climate and receptivity
- External political and economic realities
- Feasibility of winning
- Past experiences with alliances
- Past relationship with social change target
- The timing of coalescence and actions
- The urgency of the social change goal
- Type and level of resources available to the participating organizations

Once a coalition begins, other conditions become pertinent:

- Is the relationship between the coalition and the social change target adversarial, neutral or advisory?
- Does the goal generate momentum, support and sustained participation amidst changing conditions?
- Do external or internal factors hinder or enhance participation by collaboration members?
- Is the coalition leadership competent at managing the collaboration?

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Coalition progress requires a core group committed to stay with the effort until the goal is achieved. Since coalitions are by nature diverse, not all member organizations have the same incentives for participation. There are usually differences in the type, source, level and intensity of commitment brought to a collaboration by different members. Recognizing and addressing these differences can be vital for coalition development.

TYPE OF COMMITMENT:

Pragmatism / Self-interest: quest for resources and power

To obtain something for their organization or constituency

To obtain something tangible for themself as an individual

To enhance agency or professional reputation or credibility

To gain protection in a shared stance

To obtain information or contacts

Ideology / Altruism: value-based commitment to a cause or public interest

To do innovative or creative work

To promote a particular political or religious ideology

To do good work to benefit others

For civic duty or pride

SOURCE OF COMMITMENT:

Commitment to the cause/goal
(collaboration is a means to an end)

Commitment to the process of collaboration
(collaboration is an end in itself)

LEVEL OF COMMITMENT :

High / low
Short term / long term
Initiating / sustaining

INTENSITY OF COMMITMENT: (This can change over time)
Participant views the collaboration as:

- a top priority
- one of many activities
- of limited interest
- for appearances only
- politically necessary, but uncomfortable

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1. Structure opportunities for multiple levels of commitment.

2. Clarify what kind and level of commitment is desirable and how it should be demonstrated.

3. Encourage collaborators to articulate the basis and extent of their commitment.

4. Provide a variety of incentives to sustain participation, addressing the actual motivation of the members.

5. Plan for fluctuations in commitment over time.

6. Address the need for protection of members.

CONTRIBUTIONS

What does the coalition need to succeed? The joy of collaborating is that different parties bring different kinds of contributions to the joint effort. Good planning will ensure that the collaboration contains a winning "mix" of contributions. Here are some examples, which can [illegible]egorized as resources, ideology, or power.

RESOURCES

- access to key individuals [illegible] social change target
- access to large constituency
- contacts with additional coalition members or allies
- legitimacy, reputation
- expertise in coalition work
- expertise on the issue
- financial support or fundraising capability
- managerial skills
- media contacts and expertise
- political influence with the social change target
- space, equipment
- competent staff, volunteers

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IDEOLOGY

- a broad framework or vision for the collaboration
- a tone for the process of interaction and decision-making
- beliefs that fuel lasting commitment
- strong values
- credibility, moral suasion

POWER

- money
- large organization
- important constituency
- control of punishment, rewards, symbols, information
- authority
- influence

Over time, the need for different contributions changes, and their incorporation alters the collaboration. **If contributions are insufficient, the coalition will have to:**

1. compromise its position, settle for less or change its goal.
2. rearrange, replace, or recruit membership and/or increase or recruit new contributions.

BALANCING DIFFERENTIAL CONTRIBUTIONS:

It is unrealistic to assume that contributions will be made to the coalition without expectations about both the cost and rewards to the contributors. Decisions about the distribution of pay-offs or rewards for coalition involvement must be made.

To avoid conflict over differential contributions and rewards from members:

1. Assess the amount and kinds of contributions needed at each stage of the project's development.
2. Clarify expectations about minimum contributions and ratio of contributions to rewards.
3. Find ways to make different contributions equivalent
4. Balance contributions with rewards so that participants can each feel appreciated and share ownership of the project.

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COMPETENCE

Coalitions require different types of leaders and different kinds of leadership skills. Leadership can be paid by the coalition or donated by member organizations or a sponsoring agency. Leaders must approach collaborations in a nonhierarchical manner, and possess good "process" and strategic skills.

HELPFUL LEADERSHIP POSITIONS TO INCLUDE IN A COLLABORATION:

Facilitators/chairpersons - to guide meetings, clarify agendas, suggest approaches, coordinate work to be done and keep the group moving ahead. Often it is the chairperson who serves as main contact for the collaboration.

Communicators - to maintain open lines of communication between the coalition itself, its members and their organizations, by calling, meeting, and sending written materials.

Process (feelings) watchers - to pay attention to the emotional climate, equality of participation among members, and to suggest changes that will keep the group functioning harmoniously.

Note Takers - in a coalition there are diverse interpretations of reality, and many parties to share in communications; this increases the importance of good minutes and records.

Representatives from committees to steering committee or Board.

Spokesperson for the coalition in dealing with the public and the social change target.

Visionary who can inspire diverse groups to unite around a common issue.

Strategist with expertise on setting goals, targets, tactics, and possess good political and negotiating skills.

EFFECTIVE COALITION LEADERS KNOW HOW TO:

1. cultivate internal harmony among collaborators, as well as progress toward external goals.

2. help diverse participants achieve consensus on goals, strategies, actions, and other coalition business.

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diverse collaboration partners.

4. design effective strategies that allow differential participation among members.

5. tactfully air and mediate conflicts.

6. possess good negotiating skills.

7. maintain and enforce a vision of the whole collaboration, while paying attention to each part -- each member, objective, and commitment.

8. create a sense of ownership and empowerment among coalition members

Varied **COMPETENCIES** are required for different collaboration leadership functions.

SKILLS NEEDED TO GET THE JOB DONE...(TASK SKILLS)

- addressing the media
- advocacy and lobbying
- communication
- delegating responsibilities
- fundraising
- holding productive meetings
- management
- negotiation
- political and strategic acumen
- planning and forecasting
- public speaking
- research and needs assessment
- sense of timing and strategic thinking
- writing

SKILLS NEEDED TO WORK EFFECTIVELY WITH OTHERS IN THE COLLABORATION. . .(PROCESS SKILLS)

- balance different priorities
- elicit everybody's input and craft a common plan of action
- manage conflict
- perseverance and patience
- sensitivity to racial, ethnic, class and gender difference
- strong interpersonal abilities
- vision and articulation of a larger whole in which each participant can contribute what they do or know best

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BEGINNING A COLLABORATION OR COALITION

In exploring how to develop a coalition or collaboration, it is important to consider the following issues:

A. THE PURPOSE

What is your overall goal?

What are the geographic boundaries of the project?

How do you plan to approach your goal?

- Develop a program or project
- To create new policies or legislation
- Advocacy
- Conduct public education around an issue
- Create a permanent, funded organization

Who do you need to influence in order to accomplish your goal?

What strategies and tactics will be effective? What activities will you undertake?

How long will this project or effort take?

How can you approach groups or individuals to join the coalition?

B. SELECTING THE COLLABORATING ORGANIZATIONS

What combination of resources, power and ideology are needed for success?

What sectors/ types of organizations and issue-interests should be included?

What types of organizations should be excluded, and why?

What level of leadership should be sent to represent each participating organization in the collaboration?

What kind of contributions and commitment will be required for membership?

What are the bottom line issues that participants must agree upon?

Which peripheral beliefs and activities are acceptable, and which are incompatible with the collaboration's mission?

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[illegible] AND CONTRIBUTIONS OF POTENTIAL PARTNERS/MEMBERS

Which qualities would enhance your collaboration/coalition?

- Credibility
- Shared ideology
- History of effectiveness
- Compatible organizational structures and styles
- People who have worked effectively with each other
- Racial, class or ethnic group

What kinds of resources will be required?

- People
- Time
- Money
- Power
- Equipment
- Space
- Access to relevant constituencies
- Connection to the social change target
- Expertise and skills
- Power
- Access to media
- Access to external allies

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Coalition Building Tips

Community Assessment

by David Foster, AHEC/Community Partners

Comprehensive and accurate community assessments are critical components of coalition development. To be most helpful, these assessments need to be guided by the following four criteria: they are designed to be resident-centered; they have a focus on community assets; they embrace a broad, inclusive vision, and they are designed to ensure follow-up.

Currently, most assessments of communities by health and human service organizations are needs assessments done by agencies either to justify the continuation of the services they currently provide or to establish the need for a specific service which they are interested in initiating. Additional uses, done in the aggregate by United Ways and other funding organizations, are designed either to establish the justification for fundraising or to guide the dispersement of resources based on a ranking of problems. There are several limitations to these traditional approaches.

First, the process of determining what problems will be included in the assessment and of defining how issues will be prioritized is usually controlled by, and limited to, professionals and/or civic leaders, omitting important citizen perspectives. Second, the focus is exclusively on the problems, needs, and deficits of individuals, families or communities, to the exclusion of strengths and assets. Third, this approach zeros in on today's urgent problems and does not help anticipate emerging concerns or opportunities. Finally, because there is usually little resident involvement in the assessment, nothing invests them in the results of the process or creates the openings to mobilize them toward addressing the needs and opportunities identified by the assessment.

In contrast, there are newer processes that operate from a different set of principles. Several alternative methods which reflect this perspective in varying ways are the focus of this insert. They have been used in many community settings both to gain information and to mobilize citizens for action. The results can help a young coalition set its course and recruit new members, while an established one can use the process to refocus its work and re-energize. These approaches lend themselves to use by coalitions that already have active community participation or that want to stimulate meaningful involvement.

The Community Concerns Report method was developed by Stephen Fawcett et al. to fill the need for a way to establish a community agenda for action that was citizen centered. Their method begins with a list of 300 possible concerns or issues, covering 18 categories of basic community functions, designed to be as inclusive as possible. "Unlike traditional survey research approaches, it involves consumers in selecting the issues to be studied and in interpreting the results." This is done through a volunteer work group, chosen to be as representative of the community as possible, who select the 30 or so items from the 300 that will constitute the survey.

The survey itself is designed to ask respondents two things: how important is that issue to them, and how satisfied are they with its current status. This provides both the level of interest in each item and the distinction between areas of strength (with high satisfaction) and problems (with low satisfaction).

Accompanied by a cover letter, the survey is distributed to all "consumers" of the organization or residents of the community, using a variety of methods depending on the number of people and the resources available. Incentives are sometimes offered to increase participation and to obtain the most accurate report of community opinions. The results are then tallied, showing the items with the highest importance ratings together with the highest and lowest satisfaction levels. These results are then shared at a well-advertized public meeting. The discussion is focused on each issue, with suggestions from citizens for preserving the major strong points and strategies for addressing the most serious concerns. From the survey and this public discussion, a report of the findings is prepared. The report is distributed widely, for use in community and organizational planning.

Another approach to community assessment, the Social Reconnaissance, has been developed by Michael Felix, David Chavis and others. This method is even more interactive than the Concerns Report, being referred to as a "barnstorming series of meetings". Chavis describes it as "inexpensive and easy, a manageable method for mobilizing a community toward solving its problems. The reassessment procedures themselves help to build new skills."

This method is built on a series of community assessment meetings organized by a community task force. The

meetings are designed for the participants to: share information about needs and resources within the community; develop ownership of issues and solutions; identify opportunities and barriers; and mobilize the community to action. Each meeting is facilitated by a person from the organization or community, with training and support from those organizing the process. The facilitator guides the group (ideally about 10 people) through a discussion of the areas listed above, using a structured process explained in the training, while a recorder captures the ideas shared by participants. The results from each meeting are compiled by the organizers and used to create a composite community assessment which is then shared back with the participants. From this process, action planning evolves around the priority issues.

Though both of the above processes look for strengths and resources, the work of John McKnight and his colleagues takes this interest to another level. They focus an entire process on the asset dimension alone. In their booklet, Mapping Community Capacity, they outline both the rationale for this approach and a method of identifying and organizing community assets. "The process of identifying capacities and assets [broadly defined], both individual and organizational, is the first step on the path toward community regeneration." In this mapping of assets, the assessment considers two important factors: where are they located; and by whom and from where are they controlled. They then create a picture showing the results. This provides a clear understanding about the accessibility of these assets to the residents, based on both geography and power.

One dimension of this assessment focuses on organizations - both agencies/institutions and community associations (such as service clubs, and church, artistic and sports groups), a resource of particular interest to McKnight. A second dimension is individual capacities which can be nurtured and utilized in building the community. The booklet includes a model "Capacity Inventory" used to collect information about personal skills, interests, etc. Finally, they map the physical resources of the community. With all this information compiled, groups interested in many forms of community building can use it to mobilize the community's assets for the benefit of the residents.

Each of these approaches offers something of value to coalitions interested in doing a new brand of participatory community assessment. Other more informal community assessment techniques offer some simpler mechanisms that can also meet the above criteria. Some that have been effectively used by coalitions include: door-to-door neighborhood visits, neighborhood listening posts, and focus groups.Each method has distinct features and requires somewhat different resources, but they are not mutually exclusive. If employed thoughtfully, these tools will yield more meaningful information, a more involved citizenry, and greater community efforts in capacity building and problem solving.

For more information on Community Concerns Reports:

- ☐ Fawcett, Seekins, Whang, Muiu and Suarez, "Involving Consumers in Decision-Making", Social Policy, Vol. 13, No. 2, (1982)
- ☐ Schriner and Fawcett, "A Community Concerns Report Method for Local Agenda-Setting," Journal of the Community Development Society, Vol. 19, No. 2, (1988)

On Social Reconnaissance:

- ☐ Williams, "Rx: Social Reconnaissance," Foundation News, Vol. 31, No. 4, (1990)
- ☐ Chavis, et al., "Guidelines for Community Assessment Meetings," Unpublished document, Center for Social and Community Development, (1993) To obtain, contact David Chavis at the Center for Social and Community Development, Bldg. 4086, Room 139, Livingston Campus, Rutgers University, Piscataway, NJ 08855.

On Community Assets:

- ☐ Mapping Community Capacities can be ordered from the Center for Urban Affairs and Policy Research, Northwestern University, 2040 Sheridan Road, Evanston, IL 60208-4100; (708) 419-3395.

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One in a series of tips on building coalitions.

Coalition Building Tips

Coalition Planning

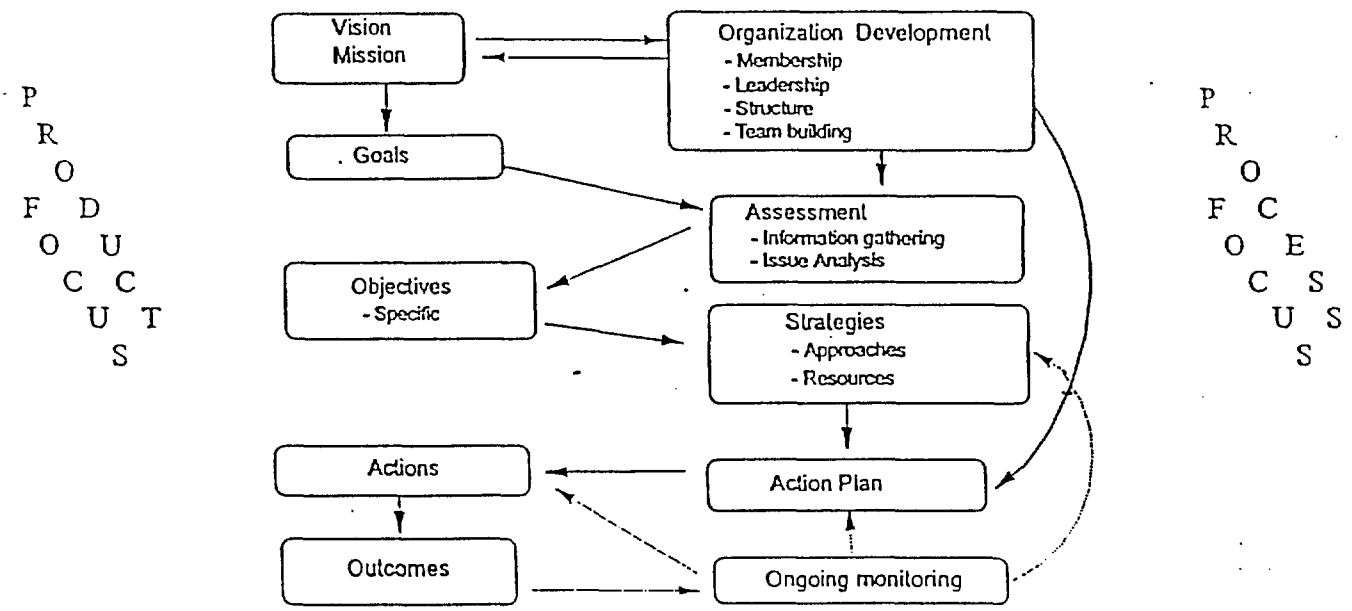
by David Foster, Community Partners

"If you're not sure where you're going, any road will get you there," said some wise person, but the journey will likely be a meandering and unsatisfying one. Coalitions, particularly new ones, often struggle with the consequences of this. Unless they are required by some external force (e.g., a funder) to have a clearly articulated plan, there is often little inclination to do real planning. This may be due in part to the absence of structure, particularly hierarchy, at the outset. If it's no one's "job" to instigate the planning, it often doesn't happen. Activity often results from reacting to a crisis or taking on some member's special concern, but there is no mechanism for taking a long view, setting priorities, or being proactive.

Planning by coalitions is designed to systematically define the desired products (destination) and develop a workable process (route) that results in the actions needed to create the desired products. As shown in the diagram below, there are several stages in defining the desired products, each becoming more specific, and several aspects of process which, when woven together, lead to concrete action and the desired outcomes, if all goes well.

The planning scheme described here represents a comprehensive approach that will be useful for most coalitions. In reality it is rarely followed in its entirety, often due to a feeling that it takes too much time or that the group already knows what needs to be done so 'let's just get on with it'. While a variety of short cuts may be taken without serious ill-effects, in the long run coalitions are most productive when they adhere to good planning.

For the readers to whom this is familiar, perhaps it may serve as a reminder of its applicability to coalitions.



☐ Vision/Mission

Early in a coalition's development it is important to establish a written mission statement which articulates a broad sense of its common purpose. This establishes the overall arena in which the coalition wants to work and how it hopes things will be different in the future. For some coalitions this is a straight-forward task, for others it is the product of considerable labor and negotiation. *EXAMPLE: The mission of the Coalition is to enhance the quality of life for all residents by ensuring that community resources are maximized and visible, through education, advocacy and action.*

☐ Organizational Development

The work of building the coalition into a viable organization goes on in parallel with product-focused work. It is interactive with vision/mission development since the concerns of those initially at the table frame the mission, which then defines who needs to be at the table and how they should be organized (e.g., formal vs. informal). As part of organizationa

development, a sound structure is needed, with committees or work groups that will do the work and bring their findings/ recommendations back to the whole group for review. *Officers, Committees (Executive, Substance Abuse, Community Health Education, Community Relations, Membership)*

Ongoing attention to team building is essential and needs to be part of the planning process.

☐ Goals

Defining goals helps give focus to the broad direction by establishing the basic domains that need to be acted on and the general outcomes that will help achieve the mission. *To educate community residents about health issues affecting infant mortality.*

☐ Assessment

Once these broad goals are established, a variety of information is often need before they can be operationalized. The assessment process involves gathering information and analyzing it. It addresses questions such as: what are the real issues involved in achieving these goals? what needs to be done to achieve them? what forces are already at work? who's affected, interested or already involved? what are realistic outcomes - amounts, time frame?

☐ Objectives

With the information from the assessment process, the group can develop specific objectives. These serve to de the desired outcomes in more precise terms, with quantified targets and time frames whenever possible. *Train two teams (10-12 people each) of community health outreach workers in the next eighteen months.*

☐ Strategies

These specific objectives lead directly to a discussion of strategies - how do we get there from here. What needs to be done? Who needs to be involved (who will be most affected)? What material resources are required? How can they be obtained? What barriers can be anticipated and how might they be overcome? What is the best sequence of activities? These discussions are about building a strong, well-thought-out foundation for action. *Have coalition staff work with tenants' council to recruit neighborhood residents; get coalition members to volunteer as trainers.*

☐ Action Plan/Actions

With these strategy questions answered, it is a relatively simple task to devise a written plan for action. This lays out specific action steps, in sequence and/or in parallel, to implement the strategy. The plan should identify a specific individual or work group who is responsible for each action and set time frames for its completion. *Within two weeks, "X" will recruit "Y" and Z" from the coalition to teach 2 sessions of the training.*

The implementation of this plan by coalition members is in some sense the culmination of the planning process, leading to the outcomes defined in the goals and specific objectives.

☐ Ongoing Monitoring/Evaluation

But how do we know that all is happening the way it's intended? Ongoing monitoring is a critical process of keeping track of what is supposed to be happening and how things are going. It asks if the people assigned tasks in the action plan are getting them done. It then considers how we know what the actual outcomes of the completed action are, and whether they are what the coalition had intended (in terms of type and amount). Finally, it asks what adjustments in earlier steps (strategies --> actions) may be needed to improve the quality or quantity of outcomes. *At each Executive Committee meeting the prior months' minutes are reviewed to assure there has been follow-through on tasks assigned.*

An evaluation steps back further to see if the mission is still valid, if the goals need to be updated, if the structure is working effectively, if the group's work is valued by those within and/or outside the coalition, if member morale and commitment are high, etc. *There will be an annual member satisfaction survey to determine how the coalition is, and is not, meeting the members' expectations.*

This process is doable, but it requires a collective discipline within the coalition, along with a willingness to take the time needed to help assure a better outcome and thus a more sustainable coalition.

One in a series of tips on building coalitions.

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Coalition Building Tips

Coalition Start Up

by David Foster and Heather Danton, AHEC/Community Partners

The impetus behind each new coalition - that spark or particular combination of concerns and people - is unique. No two coalitions begin or develop in precisely the same way. There is not a specific linear order in which this process evolves since a coalition's processes, its structure and its activities develop interactively. Still, there are common themes, elements and stages that most coalitions concerned with community issues go through in getting started.

❑ Context

First, it is important to be aware of the environment within which the coalition will emerge and function. Some key variables include:

- definition of "the community"
- social infrastructure
- history of collaboration and "political climate"
- nature of existing helping systems
- resources (human, organizational, and material)

In the early stages of any new coalition, it is valuable to consciously consider each of these elements and assess its potential influence on the emerging group and its process.

❑ Who, What, Where, Why?

At the outset it is useful to examine questions related to "why are we coming together". Some coalitions form when a history of working together on a common concern leads to a desire for a more formal, ongoing organization. Recently more coalitions have emerged in response to some external impetus, often from a funding source. These groups face a special challenge of not being driven, divided or distracted by these outside forces.

As a group comes together to initiate a coalition, the issue of "boundaries" will come up in several forms. Questions, such as, what are we about?; what do we want to do?; what geographic area will the coalition focus on?; and, who should be involved? will emerge. Preliminary answers to these questions will be developed in the beginning, but they will also resurface and get refined as the group reassesses its purpose and direction over time. It is critical to have a clear understanding of what the coalition's "community" is. It is best to define the community in a way that is meaningful in the minds of people who live and work there, rather than to simply rely on political or bureaucratic boundaries.

In this early going, there is usually a key person(s) who provides the leadership and supports the communication necessary to establishing a new organization. It is helpful for this person and her/his affiliation to be seen as "neutral" and accessible.

❑ Agenda

Early on, a coalition needs to consider the nature and scope of the agenda it desires, understanding that this is likely to evolve over time. There are four broad areas that coalition agendas generally encompass: 1- sharing (information); 2- relationships (support); 3- action (collaboration); 4- change (reallocate resources/power).

☐ Activity Level

Although membership can be claimed by those who sign up as members or those who send financial support, the key component of coalition membership is activity. Without coalition members providing their time and their efforts, there is no coalition. Thus, a key factor in the success of any coalition is the amount of energy and time invested by its members in the community. No matter how many people have paid their dues, if you cannot get members to sign up for activities and task forces, the projects that the coalition takes on will fail. Marian Wright Edelman of the Children's Defense Fund, in talking about developing teen pregnancy prevention coalitions, says that we need to distinguish between the talkers and the actors. Often at the beginning of the coalition, we see more of the talkers and only later do we see the actors. Thus, another important factor in assessing membership in a coalition is to examine the activity level.

☐ Multi-Sectoral, Multi-Cultural Coalitions

How well the coalition membership represents the various sectors and sub-cultures of a community is another key variable in membership. For membership to be truly representative, efforts have to be made to reach those who don't easily come to coalition activities. The hardest to reach individuals tend to be those at the very top of the power structure: the heads of corporations, police chiefs, superintendents of schools and those at the very bottom of the power scale: the disenfranchised, the citizens. Specific efforts involving individual, personalized outreach need to be focused on those groups not well represented, so the coalition can be both multi-sectoral and multi-cultural. Getting these hard to reach individuals into the room is only the first step, the coalition will need to create a welcoming environment if the newcomers are to stay with the coalition. Without this, the strength of the membership will be weakened.

☐ The Role of Citizens

Although coalitions proclaim themselves as empowering institutions, giving voice to the members of the community, they often fail at involving citizens in their efforts. Coalitions are often quite successful at engaging certain components of a community to interact in daytime meetings, in formal settings. But this modality has enormous barriers to involving grassroots citizens, barriers including: time, money, language, family responsibilities, transportation, etc. There are no simple answers as to how to best engage citizens in coalition activities. To change the meetings to evenings, provide interpreters and day care may be ways of enticing citizens to a meeting, but on is likely to lose many human service providers with after-work events. One should not assume that coalition building efforts and citizens community development activities can always be, or need to be, merged into one organization. Rather, we must seek the areas of overlapping interest of these initiatives. There needs to be an active exploration of how neighborhood organizations, community development groups, citizen action groups and community coalitions can find common ground and ways of collaborating. This indeed may be the greatest future challenge for coalition membership.

The strength of a coalition is really the sum of the capacities of its members. Seeking a broad representation of active members and maintaining an open door are critical to coalition success.

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Coalition Building Tips

Coalition Leadership

by Tom Wolff, Community Partners

❑ Coalition Leadership

Coalition leadership requires attention to basic organizational functions - communication, clarity of roles, decision-making, etc. - just as in other organizations. However, in some ways, coalitions are unusual forms of organization and raise special leadership issues.

❑ Types of Leadership Structures

How leadership in coalitions is defined and how it functions in coalitions vary enormously. Some coalitions have paid staff which may be part-time or full-time; and either from the local community or not. In large, well-funded coalitions, we often find organizations with a full-time director which look a great deal like a traditional human service agency. In other coalitions, leadership is a totally voluntary capacity and emerges solely from the membership. Finally, in a third form, we see some combination of paid and volunteer leadership.

❑ Coalition Leadership Models Vary with Coalition Goals

Depending upon the goals of the coalition, a variety of these styles may prove to be effective. One coalition might be run by a specific charismatic leader, while another coalition's leadership might be shared among several different individuals. In this insert, we describe leadership issues as applicable to coalitions which have as their goals bringing together various components of the community to become more effective problem solvers and to maximize the use of resources in the community. Those goals require a commitment to community development, and thus a shared leadership model tends to be the one that seems most effective in achieving these goals. For coalitions that have a commitment to community development, not only is the involvement of existing leaders critical, but developing new leadership is also adopted as a goal.

❑ Skills and Style

Critical skills and styles for coalition leaders include:

- **An inclusive, welcoming stance:** Coalition leaders should set the tone for welcoming new members and for bringing them into the coalition. Orienting new members and urging them into active roles are part of the welcoming.

Excellent communicators: Both in verbal and written materials, coalition leaders need to take complex materials and make them understandable to all audiences.

- **Group facilitation skills:** Coalition leaders need to be able to guide both large and small meetings, with numerous participants and various agendas. Meetings would allow everyone to have their say, and yet be able to follow agendas, move through problem-solving processes and ultimately make decisions.

- **Conflict resolution:** It is helpful for coalition leaders to appreciate the benefits of conflict, since conflict is a regular part of what happens in coalitions. Seeing conflict as an opportunity to be grappled with, rather than a horror to be avoided, is crucial to coalition leadership. Identifying the various self-interests, seeing the common ground, and helping to seek compromises are part of this activity.

- **Sharing the spotlight:** Coalition leaders must leave their egos at the door and be able to share the glory and the spotlight with other coalition members and other entities in the community. This can be a complicated tightrope - being too modest can lead to the coalition remaining invisible, being too forward may bring resentment.

- **Trust:** Coalition leaders must be able to engender trust in those with whom they work. They must be reliable, prompt, honest and true to their word.

Finally, coalition leaders must bring energy and hope to coalitions in both their styles and their skills. One can easily see how hard it would be to find one individual with all the above traits - thus the advantages of a shared leadership model which calls upon many individual's skills become more obvious. Also clear are the risks of relying on a single leader to be the initiator of all coalition activity.

☐ Specific Issues and Challenges of Coalition Leadership

Delegation

The role of coalitions as catalysts instead of doers is paralleled in the role of the coalition leaders. The leaders must also be catalysts for action instead of doers of the action. An excellent program manager and program developer who knows how to get things done can actually be less successful as a coalition leader, since s/he may not foster delegation and develop new leadership. Coalition leaders must support the active engagement of all members, and seek support for themselves from others in the coalition.

Juggling Responsibilities, Roles and Time

Coalitions, when they start to become effective, open more and more doors with each success. Balancing these various opportunities and obligations is critical. Numerous coalition leaders suffer from making too many commitments and spreading themselves, and the coalition, too thin.

Jealousy and Criticism

Coalition leaders often are the target of both criticism and jealousy. Being central and visible figures, these negative reactions can occur quite separate from any inappropriate action being taken by the leader. Understanding that this is a natural part of group process is a necessary stance for the leader. Constructively dealing with both criticism and jealousy by listening and responding non-defensively is necessary for the feelings to diminish.

Action Orientation

Many coalitions get bogged down in lengthy planning processes or in cautiously avoiding controversial issues. Coalition leaders must be able to move the coalition towards action and accomplishments, so that coalition members can keep a balance between the time that they put in and the benefits they reap from the coalition's accomplishments. This drive for products must be carefully linked with a thoughtful coalition process.

Paid Staff

Having paid coalition staff (versus only volunteer leadership) raises important issues:

1) When coalitions have paid staff, a key issue is the differentiation of tasks to be performed by staff vs. coalition members. As unpleasant tasks arise, do all eyes focus on the paid staff and does the staff person take on the task or try to delegate it? And if s/he tries to delegate the task, do coalition members help o they leave it for the staff person? The ways these scenarios play out can decide the tone of the coalition.
2) Supervision and support for paid staff is a second key issue. The high-stress job of being a coalition staff person requires skilled supervision and support, which is rarely available. The supervision needs to come from one or more individuals with practical knowledge of coalitions, group process, conflict resolution, etc.

Developing Leaders

Coalitions vary in their commitment to developing new leadership with the coalitions and in communities. When leadership development is a stated goal, it creates new leadership issues. Specifically, one needs to decide if new leaders are going to be sought from professional ranks, or from citizens. And then existing coalition leaders play a key role in modeling, mentoring, training and encouraging new leaders.

"Team leadership enhances the possibility that different styles of leadership can be brought to bear simultaneously. If the leader is a visionary with little talent for practical steps, a team member who is a naturally gifted agenda-setter can provide priceless support. No one knows enough to perform all the functions in our most demanding leadership posts today." - John Gardner, The Nature of Leadership, Independent Sector, 1986.

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Coalition Building Tips

Stages of Development in Community Coalitions

by Tom Wolff, AHEC/Community Partners

It is helpful in trying to understand the stages of coalition development to draw from a variety of perspectives and literatures. There is a great deal written and discussed about coalition start up, but much less is written about coalition maintenance. There is a dearth of coalition case histories that reflect how they grow over time and are sustained. In this brief paper, we look at the individual, the group, and the whole coalition levels to gain some understanding about developmental stages.

☐ Individual Level of Development

The experience of individuals in coalitions and their sense of connection to community are strikingly similar to the theories reflected in the writings of Jean Baker Miller. Her writings on the psychology of women and the process of the development of connections by women provide a perspective that can be applied to our sense of what individuals go through in coalitions.

Miller suggests that there are five steps regarding connection. The first is that as individuals make an initial connection, they find themselves having an increased sense of well being, and an increased amount of zest. This energy is easily seen at initial coalition meetings when people get quite excited about being part of a larger whole. In the second stage, the initial zest leads to increased motivation to be active in the relationship, and they therefore feel empowered to go beyond the relationship. This is also true in coalitions where after the initial excitement, individuals often start to reach out to other agencies or other individuals within their own agency, to start to make connections. The third stage suggested by Miller involves increased knowledge of themselves and others, and increased clarity of feelings and thoughts. We also see this in coalitions, where as a result of connections with others in the community, individuals feel clearer about what's happening with each other and feel clearer about their piece of the whole. Fourth is an increased sense of worth that results from the connection, and this has been reported by our researcher Judie Post from her interviews with long-term coalition members. They report that an increase in their own sense of self worth is a clear outcome of their coalition experience. Finally, there is a desire for more connections. And that is also clear in coalition behavior. What happens in coalitions is the cumulative effect of numerous individuals interacting. Miller's description of the process of connections has a strikingly similar tone to that which we experience in coalitions.

☐ Group Level of Development

Studies of group process also generate predictable development sequences. Tuckman, typical of many, suggests four such stages. Groups begin by concerning themselves with orientation to the group, including issues of inclusion and exclusion, understanding of the boundaries of the group, testing the limits, and clarifying leadership. This is often discussed as **forming**. These initial issues are clearly the same questions asked at the start of coalitions. The second point in the sequence is generally characterized by conflict and polarization around various issues, and increasing emotional tone. Coalitions that allow for emotional expression and willingly face conflict will reveal these issues in public, otherwise we hear them through the grapevine. This second stage is often described as **storming**. As the group works on resolving the conflicts, there is an increased sense of cohesiveness, and new roles for group members begin to emerge and are adopted. This stage of the process is described as **norming**. We often see this in coalitions as the initial productions and activities of task forces and joint advocacy. In the final stage of group process, called **performing**, the group becomes much more functional, the group's energy is channelled into appropriate tasks, structural issues have been resolved, and the structure can now be supportive of getting the tasks done. Successful coalitions have been able to create structures that allow them to function, and also to get past the interpersonal conflicts, so that they can perform - as described in the group process literature.

☐ Coalition Level Development

In her book Collaboration, Barbara Grey writes expansively about the stages of development of whole coalitions in collaborative efforts. Grey suggests three phases. Phase one is the problem setting phase, in which stakeholders are identified and their issues of mutual concern are acknowledged. The specific tasks that need accomplishment within the problem

setting phase include:

- stakeholders must identify that their actions are dependent upon the actions of each other;
- stakeholders that are identified must represent a wide variety of the key components of the community and must be perceived as being legitimate stakeholders;
- a legitimate and skilled convener with process capacity must be identified and given authority to have the role of convener, and;
- all the stakeholders must agree that their shared vision and direction is of great enough value to outweigh the costs of such an effort.

For coalitions, this translates to the kinds of issues and statements one hears early on, such as, "why should we do this", "what do we have in common", "is it worth it", "we've tried this before, it doesn't work", "what can we really achieve", and often ending with, "I'll try it, but no promises".

Grey calls her second phase the **direction setting phase**, in which stakeholders identify their common purpose, and the values which underlie these pursuits. It is here that mutually agreed upon directions start to emerge, and the dispersion of power begins to occur among the stakeholders. In coalitions, we see this as a period of time when the mission, goals and objectives are articulated, the leadership structure becomes defined, the specific leaders identified, and the coalitions sta· › take their first mutual actions.

The third stage Grey labels as the **structuring phase**. Here, the coalition begins to function in a systematic matter, and develops clear regulative functions. They begin to take their first actions which reinforce their beliefs that joint action can be beneficial; they begin to get some external recognition and mandate; and they begin to see the fruits of their labor. In coalition work, this becomes a critical phase and indeed can not be put off for too long. Stakeholders join coalitions tentatively, waiting to see whether indeed this new organization will have results, and unless early actions occur, they tend to be easily discouraged.

Beyond Grey's three stages come the major questions of coalition maintenance. If we are collaborating on a specific effort, the campaign wins or loses and the coalition dissolves, maybe to be picked up again some time in the future. In contrast, other coalitions including AHEC/Community Partners have lasted as long as ten years; then issues of maintenance become critical. Long term coalitions must reassess community needs, redefine priorities, engage new members and re-engage old ones. They need to develop coalition rituals and events that reinforce the values and the connections made through coalition work. Coalitions need to be very flexible, and not only respond in a planned, thoughtful manner, but also be available to deal with emerging crises as they occur. Throughout the history of a coalition, the cost-benefit ratio for participants must be attended to. We cannot become so busy with programs that we forget to ask all coalition members whether they are getting what they want. Most of all, maintaining this kind of process requires skilled staff, who in turn need to have solid support and guidance from knowledgeable supervisors. All of the above are the beginnings of ideas about how coalitions develop over time. Ours is still a very rudimentary understanding to which we all can add through case studies and longitudinal evaluations.

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Coalition Building Tips

Engaging Residents In Coalition Building

by David Foster, Community Partners

Many coalitions begin with institutional leaders and service providers at the table. Either at the outset, or more often as the coalition evolves, the group frequently decides that community residents need to be more directly involved in the development of community agendas and programs.

There are a myriad of reasons why the participation of diverse community members is important. Among these are:

- insights of more people in defining the issues and priorities
- community ownership and investment in issues and solutions
- broader networks of people to inform and involve
- more energy with which to tackle projects

The benefits are clear, but deciding on the best approach to achieving this result is more elusive. Some coalitions seek to involve residents fully in the life and work of the coalition. Others focus on getting community members to participate on specific committees that work on community issues of interest to them, perhaps having included them in an assessment process for selecting the issues.

A third approach, which we find increasingly compelling, sees provider coalitions as facilitators, both for the development of neighborhood/community coalitions (if they do not already exist) and for providing technical support to resident-driven groups. The provider coalitions can then build ongoing partnerships with these neighborhood coalitions to better apply the resources of each to community capacity building and problem solving. We are coming to believe that in most communities this approach will be more effective in yielding successful provider-resident collaborations. Through these partnerships, community residents can discover and exercise their power in naming the issues, defining the solutions and being integrally involved in implementing these solutions.

This Tip Sheet identifies a number of issue areas to consider in designing typical coalition activities that will enhance the possibility for real community engagement - with related barriers to success, and some potential strategies. These concerns and ideas cover an array of challenges, although not all will apply to a given coalition (particularly those that are neighborhood based). It is useful, however, to review them all (and others you may add) when planning to reach out to expand community participation.

The more socio-economically diverse the audience, the more of these will likely apply. The ideas may be applied to provider coalitions, to their committees, and to neighborhood/community-based groups.

☐ ACCESS

Lack of transportation and mobility impediments are two common physical barriers to resident participation. Language can be an obstacle for those whose native language is other than English. When only certain people receive invitations to join, others may be denied access - whether by design or oversight.

•Strategies: Meet in central location • Offer rides • Meet in "barrier-free" buildings • Provide translators, bi-/multi-lingual publications • Have open membership with broad outreach •

☐ AGENDA

Meetings that are focused on institutional or special-interest concerns - or that are formal, lengthy or disorganized - make it difficult to attract and retain community members.

•Strategies: Have clear agenda based on broad member input • Maintain action focus, based on group-set priorities • Keep meetings to reasonable length •

☐ SCHEDULING

Finding a time when institutional, professional and community members can and will commit to meeting regularly is among the most difficult challenges. Monday through Friday, 9 to 5, works well for some and excludes others. Evenings are hard for most people with families - and for those who work, but do not live, in the community. Potential strategies for this issue are elusive; successful ones, rare. Most coalitions, at some point, face the choice of whether to lean toward the professional (daytime) and do the best it can to attract community members, or to lean toward residents (evening) and try to keep professionals involved. Another option is to establish parallel groups (provider and neighborhood) with open memberships, that maintain close communication and collaboration, as in the third option described at the beginning of this sheet.

☐COST

Out of pocket costs for participation, such as child care or transportation, can be a barrier to involving residents with low incomes. Lost wages due to missing work to participate in coalition activities is another.

•Strategies: Offer child care or reimburse for care if needed • Short meetings before or after work • Offer rides or reimbursement •

☐"ISMs"

Professionalism in various forms can intimidate potential community members. Structural discrimination (racism, etc.) and tokenism are barriers to a diverse membership.

•Strategies: Avoid jargon and "alphabet soup", value all types of input, use more informal meeting style • Welcome diversity • Outreach plan, don't ask 1-2 people to "represent" a sector •

☐INFORMATION

Unequal access to basic information about the group and its activities will impede the participation of neglected members. Inadequate background information about the group and its work can make it hard for new attenders to become full participants. Lack of knowledge about how the larger system works may inhibit the effective involvement of traditionally marginalized residents.

•Strategies: Newsletter, other media • Orientation, "buddy system" • Training •

☐SKILLS/EXPERIENCE

Many potential members lack experience, and related skills, in being part of an ongoing problem-solving group. They often have little or no experience interacting with community leaders and decision makers, and lack training in how to deal with them effectively. Many have no role models to emulate in taking on these new experiences.

•Strategies: Seek out/nurture existing or natural leaders • Leadership training, mentoring • Promote visibility of positive role models, job shadowing •

☐ Implications for Coalitions

A number of these strategies involve changes in how many coalitions conduct "business as usual." This requires that groups carefully assess the unseen impacts of their normal practices on the participation of community residents and make needed changes.

Other strategies call for outreach efforts, which to be effective must be well-planned, targeted and ongoing. For most coalitions, it is unrealistic to undertake this significant outreach without the support of paid staff, at least part-time. For the resident members to be in a strong position to plan effectively and to negotiate from a position of strength with public officials and professionals, as many as possible should be representatives of specific community constituencies. Thus one outreach strategy, within any approach, is to recruit initial resident participant through direct, personal requests for representation extended to diverse neighborhood and community organizations (both formal and informal).

One in a series of tips on building coalitions.

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Money and Coalitions: Delights and Dilemmas

by Tom Wolff, AHEC/Community Partners

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Most discussions of funding and coalitions deal solely with the issue of how to find funding to sustain coalitio In this Tip Sheet, we would like to start with an earlier premise, and ask the question, "Is funding really neede development?" It is interesting to compare coalitions that were started by grassroots groups with no money, coalitions that were gathered specifically around a funding source. In those coalitions that developed around community issue, whether it is substance abuse, violence, or teen pregnancy, we see genuine community inter outset. Often, they have little or no money. When we contrast that with those coalitions that were started by lure of dollars, we do not necessarily see a great level of community involvement. There is no question that s nity coalitions have been highly successful with virtually no funding. We have also seen very well funded coali might suggest over-funded) fail. The keys to success remain the core principles of coalition success, such as: mission, organizational competence, time and persistence, etc. (For more on this, see our Tip Sheet "Principles o cess"). This raises fundamental questions about whether funding is always required for coalitions - and, if so, h and what that funding is used for, and what are the kinds of problems, dilemmas, strengths and resources that a by funding.

In our experience, we have seen the full spectrum - coalitions that had virtually no money, a moderate amount o sources to sustain the coalition efforts, or those with large amounts of resources to both sustain coalition efforts a develop community programming - be both successful and unsuccessful. Funding in and of itself does not guarant success or failure, but the degree of funding and the way in which decisions about the funding are made, create v different sorts of organizations.

❑ How Much Funding

Coalitions often need a certain amount of funding just to sustain their basic efforts of coordination, collaboration and information exchange. The "basics" include money for mailings, agendas, rental of meeting space, and enough mone an annual meeting. The next increase of funding for coalitions often pays for part-time or full-time secretarial suppo do the clerical work that goes along with coalitions: mailings, minutes, newsletters, etc. Many coalitions also see the for more skilled staff to assist with coalition planning, direction, leadership, facilitation, or mediation. After funding fo basics, and potential funding for staff, the next direction for coalition funds is specific programming. The programs d oped: substance abuse prevention, teen pregnancy prevention, tobacco cessation, etc. are often determined by the av ability of a particular funding source. Our experience suggests that when funding is obtained for coalitions it is best fi spent on basics, then staffing, and finally programming.

❑ Funding For What

An important distinction should be made between coalition funding that goes to sustaining the process, the development, and the maintenance of the collaborative coalition process itself and coalition funding that goes into the development of programming. Once a coalition gets into the business of delivering programming itself, or subcontracting out dollars for programming to other agencies, it runs the risk of moving from a collaborative organization whose sole function is to promote coordination and collaboration to becoming another community agency. This can create a conflict where the coalition is in competition with its own members. Also risky is subcontracting program dollars to other agencies by coalitions. When a coalition does this, it needs to engage in a process of awarding and then monitoring the contracts. Subsequently, the coalition as a coordinating body also becomes a monitor of its own members, which creates an inordinately complex set of roles. In our experience, one set of functions often interferes with the other, meaning it is hard to be a collaborative partner with an agency if you are also monitoring a subcontract and potentially telling them that they are not doing a good job!

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☐ Issues Created By Coalition Funding

• Money As Motivator

When coalitions are gathered together around the lure of external funding sources, one can never be sure that the partners at the table are not there just for the dollars. This leads to great ambiguity in the start-up of these coalitions. The best one can hope for is an open discussion of what brings people to the coalition table.

• Lead Agency

When a coalition gets involved with significant funds it sometimes finds a lead agency to handle these dollars rather than just a fiscal conduit or financial manager. The lead agency may then take on roles, responsibilities and power that place it on an unequal basis with other coalition members. Since one of the core premises of coalitions is that all members come to the table with equal power in the coalition, this can create difficulties.

• Decision Making

If a coalition does have resources beyond the core functions of process and staff, questions arise about how resources get spent and who decides upon those directions and specific allocations. These money issues can highlight how democratic the overall decision making process is, or expose its authoritarian tendencies.

☐ Money And Membership

If one of the major sources, or even one of the sustaining sources, of a coalition is participant fees, the money may limit membership in the coalition. As suggested in an earlier Tip Sheet , we propose a membership process that has no fees attached to it. There should be a coalition sponsorship process, which allows people to contribute on an annual basis, generally based on the size of their organization. Members of the coalition would include anyone embracing the coalition's mission and not be tied to paying a fee to join. This distinction between membership and sponsorship is helpful in making sure that dollars do not become a criteria for joining a coalition (For more on this, see Tip Sheet "Coalition Membership").

☐ How Money Can Help A Coalition

In spite of the above warnings, money can help a coalition. Core funding for staffing and maintaining the process and development of the coalition is critical for the success of most coalitions. It is our belief that, although unstaffed coalitions can be successful to some degree, the capacity of the coalitions to take on multiple issues over a long period of time and have a significant impact can be increased with paid, facilitative coalition staff. Thus, finding the resources to fund such staff is enormously helpful. Even a halftime staff person and secretarial support can be enough to move a coalition forward in a rapid fashion.

☐ Where To Find The Dollars

This, of course, is the million dollar question. The experiences of numerous coalitions across the country indicate that there are a variety of sources. Most larger coalitions have been developed around an initiative from state, federal or private sources soliciting coalition responses to issues such as violence prevention, teen pregnancy prevention, tobacco cessation, etc. Other sources of coalition funding include: a) sponsorship fees from members, b) community foundations, c) larger foundations and corporate giving programs, d) local cities and towns - especially through Community Development Block Grants and Small Cities Grants.

In sum, money can be a key force in moving coalitions forward or can be a major barrier to coalition success. The basic instinct to seek large amounts of dollars for coalitions should be tempered by a planning process that asks how much funding do we need? For what coalition functions? Who will decide how it is spent? Can we anticipate the benefits and the problems that funding might bring? It is only after coalitions have successfully asked and answered these questions that the search for funding should begin.

One in a series of tips on building coalitions.

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Coalition Building Tips

Principles of Success

by Tom Wolff, AHEC/Community Partners

A generic set of principles for successful coalition development can be quite a challenge to generate in light of the great variation in what is called a 'coalition'. Not only do the definitions of coalition vary (from two agencies joining together in a grant submission through a broad community group with representatives from every sector) but also definitions of coalition 'success vary (i.e. we have succeeded if we get the Chief of Police to join our coalition vs. we have succeeded if we get the Chief of Police fired).

❑ ASSUMPTIONS:

To clarify the principles of success in a brief paper it is necessary to first spell out some of the basic assumptions of the particular approach to coalition building articulated in this model:

1. Ecological approach - individuals are understood in the broadest context of their environment. Thus when examining social problems (i.e. drug abuse, teen pregnancy) always consider the major forces in American life today that impact on the problem including: racism, sexism, class elitism, injustices, and economic maldistribution of resources.

2. Social change - Coalitions are committed to addressing those components of society that require change as opposed to improving ways to adapt to societys ills.

3. Multisectoral-multicultural approaches - Coalitions need to include everyone in a community. The coalitions basic principles must celebrate diversity and must value the multicultural characteristics of their communities. Institutional racism needs to be identified and addressed. In communities of color, empowerment of their own community may precede multicultural efforts.

4. Capacity approach - Coalitions focus on a community's capacities and strengths as well as its deficits and problems. They focus on individuals as citizens rather than clients.

❑ PRINCIPLES:

MISSION AND GOALS

Coalition members will clearly define their shared mission/goals and see to it that the identified goals incorporate the self-interests of the various constituencies. Coalition building requires both a willingness to set aside personal agendas for a common good, and a realistic understanding that addressing the self interests of participants is crucial. Walking the tight rope between these agendas is critical to coalition success.

INCLUSIVE MEMBERSHIP

Membership in coalitions needs to be inclusive, allowing all members of a community who endorse the coalitions mission to join in the coalitions efforts. Inclusive membership will occur only through active recruiting of the two power extremes in the community - the most powerful (business, clergy, city hall, etc.) and the least powerful (neighborhood groups, youth, people of color, the poor, etc.). The geographic boundaries of the coalition will also be decided by those directly involved.

ORGANIZATIONAL COMPETENCE

The coalitions organizational functioning and structure must be clear and competent enough so that the coalition can perform basic tasks effectively. This includes:

a. Effective leadership - coalitions need to have clearly identified leadership structures but also need to share leadership as broadly as possible. Building new leadership is a crucial role for coalitions especially among community groups which have been disenfranchised.

b. A clear, democratic decision making process is needed which allows for broad input into decisions and for conflict and disagreement to occur and be resolved.

c. Most broad coalition efforts require experienced staff. The staff must havegroup and organizational process skills and community development philosophy and skills.

d. Coalitions need to proceed in a planful manner and thus must develop at least a rudimentary ongoing system of planning.

e. Active and effective communication among members of the coalition and between the coalition and both the community and outside systems (i.e. the State) is critical.

f. Mobilization and effective use of resources from within the coalition, and outside, is essential.

ACTION AND ADVOCACY

Successful coalitions take actions that are doable and thus prove their effectiveness to themselves and their communities through concrete results. This often means that coalitions load experiments for success to guarantee early victories that will illustrate to the members and the communities that change can occur. A short agenda of doable tasks also prevents a coalition from spreading itself too thin.

HOPE AND CELEBRATION

Coalition activities need to include fun and must affirm the strengths and joys of the community. Indeed of the great gifts of effective coalitions to their members and to their communities is the gift of hope that emerges from an optimistic coalition approach that says that most problems can be effectively addressed. Leaders will help emphasize the hope and accomplishments of the coalition and help the coalition celebrate this process.

TIME AND PERSISTENCE

The agendas of broad coalitions that address the quality of life in communities can be overwhelming. The coalition needs to take a long-range view, understanding that the coalitions agenda will take time and persistence. Although some single issue coalitions are defined as short-term efforts, the coalitions described in this model will create the needed societal changes only in longer time frames. Tackling big issues in manageable pieces holds for both long term and short term efforts.

MONITORING AND ASSESSMENT

It is obvious that the process of developing a coalition to address quality of life issues in a community is very complex. The literature can provide us with some direction, but each coalition effort must be guided by its own internal review and evaluation process. Whether this review is done at an annual meeting discussion of the coalitions process and outcomes or through a more rigorous evaluation scheme, an effective coalition will have the capacity to learn from its successes and its disapointments, for it surely will have both.

❑ CONCLUSION

The above principles are a 'work in progress'. We hope they can be used as helpful hypotheses to be tested in various communities. We welcome your feedback, suggestions, disagreements and additions.

The above thoughts were partially drawn from the work of Citizens Committee for New York City, Lew Finfer, Herb Shepard, and David Chavis.

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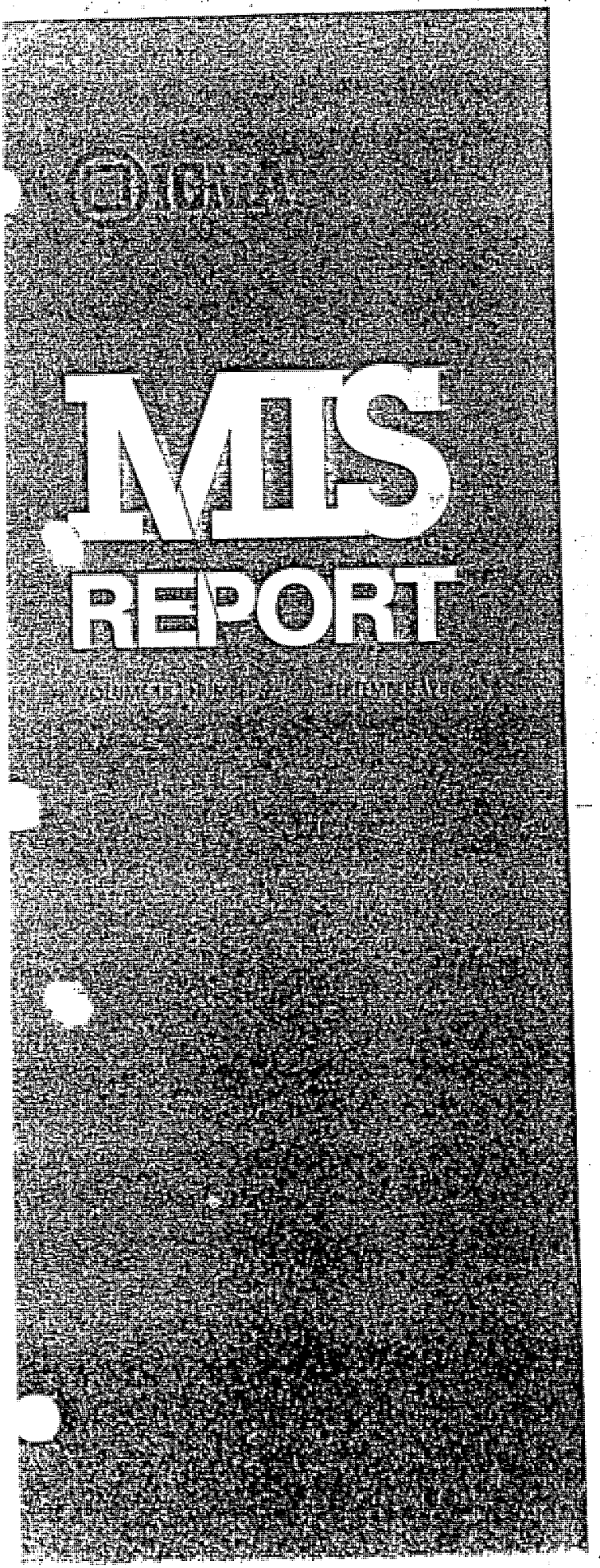
One in a series of tips on building coalitions.



A FRAMEWORK FOR CITIZEN PARTICIPATION: Portland's Office of Neighborhood Associations

This ~~[illegible]~~ report looks at the management of citizen participation networks by focusing on the experience of one successful effort—the city of Portland, Oregon's Office of Neighborhood Associations.

The Office acts as a facilitator agency, working to coordinate and assist neighborhood groups with community problems and needs. It also helps to gather input from citizens on how to improve city programs and services.

Included in this case study is a discussion of the elements and issues involved in setting-up a successful program; a description of Office functions and activities which include a crime prevention program, city code reviews, neighborhood needs evaluations, citizen advisory committees, and emergency assistance; and an example of how to evaluate a citizen participation agency—its internal operations, the programs it administers, and the roles it plays in processes such as neighborhood service delivery.

A Framework for Citizen Participation: Portland's Office of Neighborhood Associations

This month's report was developed by Bruce Clary, Associate Professor, Public and Environmental Administration, University of Wisconsin-Green Bay. He was assisted by Lee Perlman, Communications Specialist with the City of Portland, Oregon. Additional contributions to the report were made by Patti Jacobsen, Daniel O'Toole, Wade Myers, and Chaney Abbott.

Over the last 15 years, comprehensive citizen participation networks have been developed in many communities with the support of local governments. The main purpose of these efforts, both on the part of local officials and neighborhood residents, was initially to facilitate public involvement in local government planning and decision-making. The reasoning behind the push for increased citizen input was that the public would be better represented in government, that enhanced service responsiveness would result, and that local government officials would be held more accountable to those they serve.

Many of these citizen participation efforts today are characterized by widespread cooperation between neighborhoods and local government. This cooperation may include government funding of citizen participation-related activities and, in some cases, the delegation of major service responsibilities to neighborhood groups. Portland, Oregon is one prominent example of a local government that has worked to foster effective citizen participation efforts.

In 1974, the city of Portland established the Office of Neighborhood Associations (ONA). Over time, it has evolved into one of the most comprehensive public involvement systems in a large American city. Over 90 percent of the area within Portland's boundaries is covered by neighborhood associations—all of them formed through citizen action, and linked by ONA.

ONA was established through a complex, highly political process. Many of the basic issues of citizen participation were debated: how to ensure that individuals and groups have the opportunity to participate, how the involvement process would be structured, how the local government could facilitate the participation process, and what kinds of programs would most benefit from citizen input. As the organization evolved, it expanded its focus to include a wide variety of activities, many of them unanticipated at the outset.

Given the extent to which ONA has shown itself to be an innovative facilitator of citizen involvement in government, an account of its formation and an evaluation of its activities provide useful ideas on how a citizen participation agency can be developed and sustained. Many of the elements of ONA are specific to Portland, but other aspects can serve as models for other jurisdictions. ONA is an example of an experiment in citizen participation that made the transition from the heady days of the participatory revolution in the 1960s to the cutback management era of the 1980s where federal grants and foundation support, often the source of start-up and operational funds, have virtually disappeared. In this respect, ONA provides an illustration of a grassroots neighborhood organization that has not only survived, but has grown and become an institutionalized part of a city government.

DEVELOPING A SUPPORT AGENCY

Two important factors that can lead to the success of institutionalized systems of citizen participation are an active citizenry with experience in grassroots organization, and the commitment and efforts of city officials. In Portland, the grass root movement existed on which to build the organization and it took a determined effort on the part of local officials to create the ONA. It is evident from the city's experience that a local government cannot simply create a neighborhood association network from scratch, and that without the initiative taken by local officials—in this case, a succession of supportive and influential mayors—agencies such as ONA are difficult to establish.

Citizen experience with grassroots organization. The growth of Portland's neighborhood movement—which eventually helped to produce ONA—resulted from a combination of factors. First, the citizen participation requirements in various federal acts stimulated the development of neighborhood groups that later became the grassroots component of ONA.

For example, in the late 1960s, eight neighborhood associations were formed in northeast Portland to fulfill the citizen participation requirements of the Model Cities Act. Additional funding and staff assistance for these

associations were provided by the Portland Development Commission (PDC). The PDC also provided assistance in setting up citizen groups in other areas of the city—including several in low-income neighborhoods.

Second, neighborhood issues, particularly those related to zoning and land use, were often the primary impetus behind the creation of citizen groups. In one area, increased commercial development was the reason. In other areas, proposed urban renewal projects were factors. In one case, the city received federal highway funds and proposed to build a $200 million interstate highway through the southeast area and 1,600 homes would have been eliminated. Citizen reaction against the project was swift, and a strong protest movement eventually stopped the project. Through this incident and others, residents learned the value of neighborhood organization.

Another particularly important event was a decision by the city's bureau of planning to help residents set up groups. This involvement of the bureau with residents was the first major link between the city government and the neighborhood organizations. The exchange of information and input between these groups and the city resulted in a pattern of neighborhood and city government cooperation—a pattern which fostered the establishment of ONA.[1]

The support of local government officials. These precedents alone, however, are usually not enough to set up and maintain an institutionalized citizen participation network. Neighborhood organizations tend to lack permanence. An issue arises, residents mobilize, but the group eventually disappears when the problem is solved or interest in the issue subsides. One element which is crucial to the development and implementation of an agency like ONA is the strong support of city officials who recognize the need for a citizen participation system and are willing to allocate resources toward the system.

The decision to encourage citizen involvement in public activities is not cost free. Time, effort, and often personnel resources have to be expended. Administrators must also examine questions regarding the information that citizens must have to participate in a knowledgeable fashion, and develop opportunities for meaningful participation.[2]

With the grassroots base of most citizen participation efforts, the role that city officials have played in the development of institutionalized systems of involvement has often been overlooked. In Portland's case, the organized citizen participation system was given strong support from the Mayor's Office. This support was crucial in establishing the political base for a system of neighborhood associations. Creating change within any political setting is greatly facilitated when there is executive leadership. ONA would probably never have been established without the initiative taken by several mayors and other local officials.

By the early 1970s, city staff had considerable experience in working with existing neighborhood groups through the citizen participation components of federal aid programs. The ambitious land use planning process implemented by the city also involved the considerable participation of neighborhood organizations. It became clear to city officials that sustained citizen involvement would require some sort of staff support and/or resources.

In recognition of the need for support services, the mayor appointed a task force in 1971 to study the proposed establishment of a system of city-sponsored Neighborhood Planning Organizations (NPOs) and District Planning Organizations (DPOs), inspired by models being used in San Diego, California and Fort Worth, Texas. The purpose of the approach was to ensure responsiveness to neighborhoods, but also to allow for a broader perspective on issues, such as land use, that might affect more than one neighborhood.

DEVELOPMENT ISSUES

A major issue often faced by local government officials when setting up an institutionalized citizen participation system is how to balance their need for citizen input and the need for neighborhood residents to make their concerns and views known and acted upon. This proved to be a major issue in developing the structure of ONA.

The task force, which received continued support from the newly elected mayor in 1972, issued a report in 1973 which called for the establishment of a two-tiered structure of NPOs and DPOs to be administered and served by a Bureau of Neighborhood Associations. The task force felt that a two-tiered system of citizen participation that divides the city into geographical areas (districts and neighborhoods) could provide widespread representation through a decentralized, grassroots structure. The neighborhood level could serve as a forum for discussion of local problems, an arena for the exchange of ideas between city hall and residents, and a way to administer neighborhood projects or service delivery arrangements.

Initial citizen reaction focused mostly on the district element of the proposed structure, which was viewed as being of greater benefit to city hall than to the neighborhoods. Neighborhood activists expressed the fear that they would have to operate within boundaries (DPOs) that were designed to meet the needs of bureaucrats, not those of the community. They also were alarmed at the prospect of a bureau within city hall being responsible for citizen participation. Some city council members, on the other hand, feared that community activists would use the neighborhood associations to further their own ends. Hence, the structure would not be politically representative of the community.

The concerns of both groups were not unfounded. The issue of citizen participation as a form of bureaucratic cooptation is one of the most often discussed in the literature on citizen participation.[3] The issue is a difficult one to resolve. What is meaningful participation to one person may be seen as cooptation by another. The apprehension about representation is supported by studies on political participation that show persons higher on the socio-

economic ladder are much more likely to be involved in government.[4]

Although these issues were not fully resolved at the time of the debate (and probably never could be), a compromise was reached. In place of NPOs, the city council would simply recognize as the "representatives of their communities" any neighborhood association that met the standards to be set forth in a proposed ordinance. These standards were considerably more flexible than those fomulated for the NPOs.

The DPO concept was also modified to accommodate the desire of neighborhoods to maintain community control of the citizen participation process. The city would provide funding for regional offices operated on a contractual basis by locally elected boards (if they were needed and desired by citizens in the area). The optional provision was included so as not to displace existing neighborhood programs.

The compromise helped to deal with the issue of city vs. neighborhood needs and the importance of the representativeness of a citizen participation system. The city is politically accountable for the expenditure of funds, regardless of the type of program or its purposes. Consequently, by contracting the operation of the regional offices to the community, the council could exercise broad legislative oversight of their activities, while leaving operational matters to the offices.

The new entity was named the Office of Neighborhood Associations (rather than a "Bureau") to provide a less bureaucratic label for the organization. The coordinator of an existing neighborhood group was hired to draft an establishing ordinance and to head the office. The resulting ordinance was approved by the city council in early 1974 by a vote of four to one.

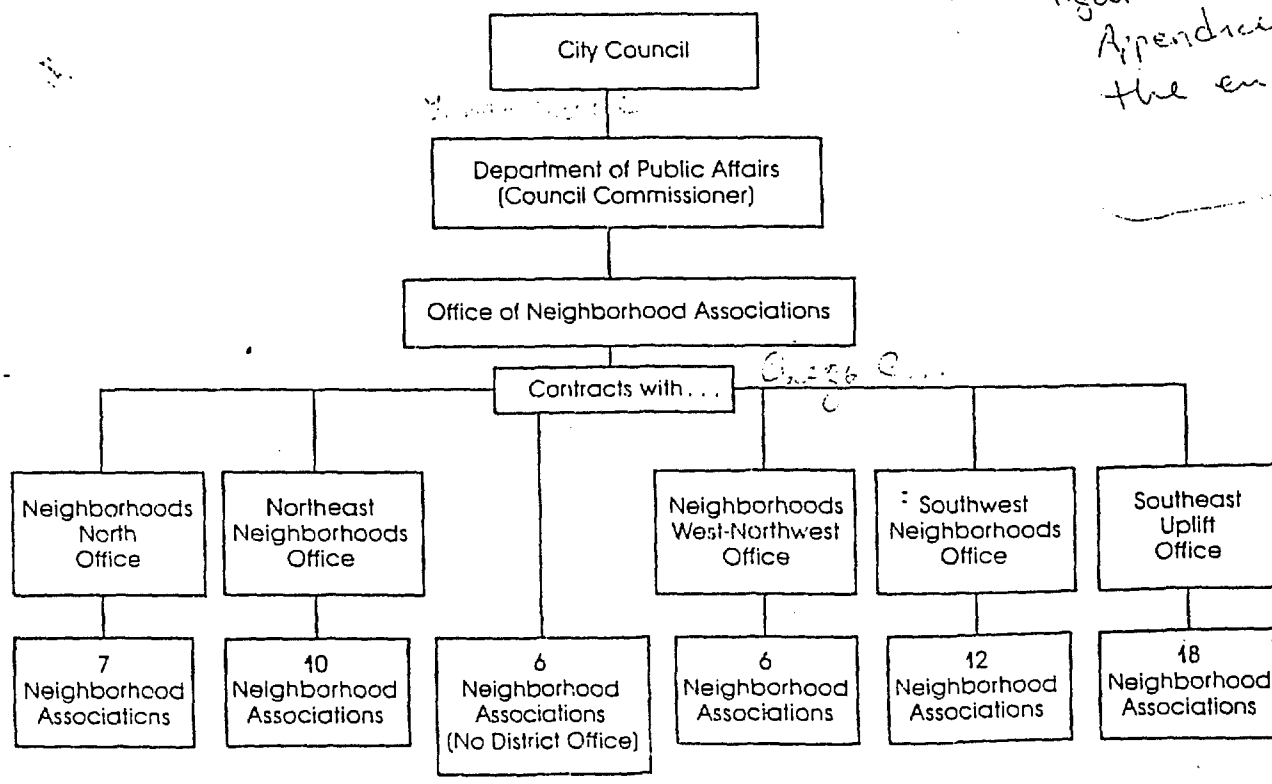
THE STRUCTURE OF ONA

Originally, ONA was an administrative sub-division within a department of public affairs. Today, it is part of the Department of Public Safety which also includes the Bureau of Neighborhood Environment. The central office is located in city hall. Initial staff positions included a director and two clerks. Later, an information specialist and administrative assistant were added.

Besides the main office, five district offices were created around the city, and a total of 59 neighborhood associations were incorporated into ONA. (See ~~Figure 1~~ Appendix for an outline of the original organizational structure.) The neighborhood associations (NAs) in Portland are

FIGURE 1—Original ONA Structure (1974)

make these figures Appendices at the end.



non-profit groups. About one-third of the NAs have formally incorporated. They receive staff and technical assistance from the city through ONA, but are operationally independent.

Any neighborhood can form an association, but must meet a set of minimum standards. The membership of an association must be open to all residents, property owners, business licensees, and representatives of non-profit organizations. Dues can only be collected on a voluntary basis. A formal process of dissent must be adopted. If any individual publically disagrees with an NA on an issue, the position must be recorded and forwarded along with any recommendations the NA may make to the city. This procedure was designed to ensure that the associations would be representative of neighborhood opinion.

One of the more innovative elements of the standard is the grievance process. An NA has to adopt a written procedure which requires the reconsideration of a decision if any resident feels that it might have an adverse effect on him or her. The city council has even played a role in mediating these conflicts. Hearings have been held by the council and in some instances, the council has appointed an arbitrator. This procedure, like the dissent standard, results in the greater representation of minority viewpoints within the NAs.

The boards of the associations normally hold monthly meetings. General membership meetings may occur monthly, quarterly, or annually. In some cases, committee structures have been established to focus on specific areas such as planning, traffic, and economic development.

The most difficult problem that ONA has had to work out is the relationship between the central office and the district offices. The city of Portland, through ONA, contracts with the district offices—that act as service providers. Responsibilities are contractually defined and audits are conducted on a regular basis. This system of a city contracting for citizen participation services was the of its kind in the U.S.

Each of the district offices faces problems that are specific to the area of the city they cover, but they also have features in common. While there is generally a board consisting of members from each of the neighborhood associations (NAs), membership is sometimes extended to service organizations and others in the community. The role of the coordinators is generally defined as that of facilitator to the NAs. However, the question has often been raised as to their ultimate accountability—to the local government that funds them or the neighborhoods that elect them. This issue has never been satisfactorily resolved either to the satisfaction of city hall or the neighborhoods.

Although ONA's structure has remained largely intact over its 12 year existence, changes have occurred. Neighborhood associations have been added, budget allocations increased and, depending upon the priorities of ONA directors over the years, the orientation of the program has varied.

ONA PROGRAM ACTIVITIES

Appendix

Citizen participation agencies, such as ONA, often conduct a number of "standard" functions such as setting up neighborhood meetings and workshops, publishing newsletters on a regular basis, providing technical assistance and referral services, producing press releases, and conducting community studies. (See Figure 2 for functions originally designated to ONA in its enabling ordinance.) However, ONA has also gone substantially beyond these "basic functions," and has proved to be an important source of program innovation. These activities include: a neighborhood crime prevention program, neighborhood code and license review, Neighborhood Need Reports, budget advisory committees, and emergency assistance.

Neighborhood crime prevention program. As in many cities, the neighborhood crime prevention program began with a federal Law Enforcement Assistance grant. What is notable about Portland's program is that when the grant expired (18 months after the program's inception), the city became the first in the country to make the program permanent and fund it through the city budget.

FIGURE 2—ONA Functions

1. Notify interested persons of meetings, hearings, elections, and other events.
2. Provide for the sharing of information and maintain a list of reports, studies, data sources and other available material.
3. Provide referral services to individuals, neighborhood associations, city agencies, and other public agencies.
4. Keep an up-to-date list of neighborhood associations and their principal officers.
5. Assist neighborhood volunteers in coordinating projects on behalf of neighborhood livability.
6. Encourage individuals to work with existing neighborhood associations where possible.
7. Assist in reproducing and mailing newsletters and other printed matter when written material is supplied by a neighborhood association.
8. Act as a liaison while neighborhood associations and city agencies work out processes for city involvement.
9. Assist in contracts with other city agencies on behalf of neighborhood associations or other interested individuals.
10. Assist in educational efforts related to citizen participation in city government.

Source: City of Portland Ordinance No. 140905, November 26, 1975 (an amended version of the original authorizing ordinance no. 137816, February 7, 1974).

One of the major problems with federal "seed money" grants is the need to develop alternative funding sources once the original grant expires. ONA provides an example of how an administrative structure for the continuation of this type of program can be provided. Administration of the program was assigned to ONA, and neighborhood prevention coordinators were named to each of ONA's regional offices.

Without the role played by ONA, it is doubtful that the program would have been retained. If the neighborhood crime prevention program had been adopted without ONA involvement, it would have been largely dependent upon new sources of financial support and volunteers organized just for this purpose. Given the problems of securing funds and recruiting and retaining volunteers in any non-profit organization, it is questionable whether the operation of the crime program could have continued for a sustained period of time. ONA provided the administrative base for the program and ensured that staff resources would be available in the long-term.

City code and license review. In recent years, local governments have begun experimenting with "nonservice" approaches to meeting community needs. Instead of reliance upon service delivery systems which often entail substantial costs, the use of other, pre-existing mechanisms are being explored. Legal codes are examples. Frequently, they are flexibly written to allow a local government to approach a problem in a new, innovative way.[5]

In recent years, ONA has begun to be formally recognized in city ordinances. The roles it plays are illustrations of "nonservice" approaches. A revised draft of the zoning code, for example, makes the involvement of neighborhoods a legal requirement of several land-use review processes. A 1982 ordinance also makes the complaints of neighborhood associations one of the factors that can mandate a review of a liquor license renewal. In these capacities, ONA has become part of the regulatory process of government. The participation of citizens in administrative law hearings is commonplace, but it is rare to find legal specification of citizen rights beyond that of a presenter at such hearings.

Neighborhood Need Reports. In 1975, ONA began a process of identifying neighborhood needs and communicating them to the appropriate city bureaus. The process begins each May with the distribution of forms, known as "Neighborhood Need Reports," to the neighborhood associations. Any individual or group in the community may also request them. The forms are used to make a request to city government for items such as capital improvements, new or expanded services, or code revisions for the upcoming fiscal year. Those submitting the forms are asked to explain why their requests should be granted, and to enclose the name, address, and phone number of a contact person who can supply additional information if it is needed. The forms must be returned to ONA's central office. Each request is given a number, and a copy is sent to the most appropriate city bureau to evaluate the request. ONA notifies the contact person on the form of the bureau and city staff person handling the request. In January, the contact person will receive notice of the disposition of the Need Report: accepted, rejected, or on-hold. If a decision is made not to take action, the bureau must provide an explanation. If residents are not satisfied with the bureau's position, they may make an appeal directly to the staff member who handled the request, his or her bureau head, the elected commissioner in charge of the bureau (Portland has a commission form of government), or to the city council.

As a mechanism to increase the responsiveness of city government, the Need Report process is fairly effective. Approximately 75 percent of the NAs submit requests on a yearly basis. From 1975 to 1984, about 30 percent of the requests were granted. In 1984, the last year when full figures were available, ONA received 455 requests from NAs.

Some Need Report requests have had far-ranging impacts. For example, a number of requests for traffic control were filed by one NA, the Hosford-Abernety Neighborhood Development (HAND). The request eventually led to a change in priorities for transportation planning. Under the leadership of a professional transportation planner, HAND developed a sophisticated 15-point program designed to curb high speed and volume commuter traffic from passing through one residential area. The Bureau of Traffic Engineering rejected most of the proposals because they ran counter to its transportation policy that traffic flow should not be restricted unless hazardous conditions existed. HAND disagreed with the bureau's position and appealed the ruling to the city council, in accordance with the procedure stipulated in the Need Report process. The question took three years to resolve, but the eventual decision was in HAND's favor. Additionally, the issues that were raised resulted in the rival bureaus of Traffic Engineering and Transportation Planning being placed under the jurisdiction of a single commissioner. A new transportation policy was adopted which stated that traffic flow should be channeled through pre-determined routes, and a Neighborhood Traffic Management Program was established to help neighborhoods devise traffic management plans like the one developed by HAND.

As the above example illustrates, the Need Report process has contributed to the greater responsiveness of city government. In distributing and compiling the forms, ONA acts as a link between the city and its neighborhoods. The process is a good example of the agency's grassroots orientation. The neighborhoods raise the issues, not the city. The program is administered by a volunteer organization, ONA, not a line agency where criticisms of bias might easily develop. City agencies must respond to the formal request and an appeal mechanism is provided. Given the goals of the Need Report process, its simple administrative design, and its apparent effectiveness, other local governments may find the system to be

an effective way to facilitate citizen participation and service responsiveness.

Budget Advisory Committees. Another innovative activity established by ONA in 1975, is the use of Budget Advisory Committees (BACs). The purpose of the committees is to study the operation of the bureaus to which they have been assigned. For each budgetary cycle, they write a report detailing what the bureaus should retain, add, and/or eliminate in their operation. These reports are reviewed by the city council in its annual budget review.

The process used to recruit community members for the committees is quite comprehensive. ONA solicits applications from neighborhood associations, business groups, ethnic organizations, trade unions, special interest groups, and the public at large. The ONA staff assembles a list of people for each participating bureau that is representative of age, sex, race, income, location, and personal interest. Usually, most applicants are assigned to the bureau that is their first or second choice.

Predictably, some bureaus initially had major reservations about the process. However, city staff acceptance of BACs has increased dramatically as the program has evolved. Staff members have come to view the information from the reviews as useful planning information (as in the case of the Need Reports) and as a source of legitimacy for their budget requests. In some instances, relationships beetween city staff and citizens have become almost too accommodating and criticisms of cooptation have been made. Despite this problem, the review process is playing an increasingly important role in Portland city government. During the 1985-86 budget review, Mayor Bud Clark (who was a leader of the neighborhood movement) created a committee of bureau heads and BAC representatives to review the assembled budget for the whole city—before its publication or presentation to the city council.

The role played by BACs in Portland is somewhat analogous to the purposes of zero-based budgeting (ZBB). A budgetary approach was developed in the 1960s to increase the fiscal accountability of agencies by reducing the tendency of administrators to view the budget incrementally (i.e., this year's allocation based on what was received last year).[6] A total review of all programs is required annually. The system was never widely implemented nor judged particularly successful. The amount of time consumed in the process and governmental resistance to its reduction-oriented nature have been cited as the main reasons. Nevertheless, its goals are laudable, especially in an era of cutback management and demands for greater budgetary accountability. BACs perform a ZBB-like function. Their mandate includes total budget review on a yearly basis, including areas where program reductions or eliminations can be made. Since citizens, not city staff, are doing the review, the tendency toward an incremental view on budgeting is reduced. Although their role is advisory, BACs result in the increased accountability of the budget process.

Emergency assistance. Local government has traditionally held the major responsibility for first response to a community disaster. Throughout the U.S., jurisdictions have been creating offices of emergency government.[7] But a disaster of any magnitude requires the concerted effort of not only local, state, and federal authorities but voluntary organizations as well. One of the most difficult tasks during a disaster is communication between government and the affected public. Because of the grassroots structure of ONA, the office has become a major link between the city and residents during a disaster. For example, the Bureau of Maintenance was suddenly faced with the task of cleaning up a layer of toxic volcanic ash deposited by the Mt. St. Helens eruption in 1980. ONA was pressed into service as the central clearinghouse for public information and coordinator of resident assistance. An ONA flyer sent to persons listed on its various mailing lists reached 35,000 people, nearly a tenth of the city's total population.

FIGURE 3—ACIR Recommendations on Performance Assessment of Citizen Participation Programs

PERFORMANCE STANDARDS

1. *Access to decision making processes** in all programs and for the expression of views and advice by all interests before decisions are made.
2. *Direct clientele involvement and control* in those programs designed to serve individuals.
3. Special standards for affirmatively seeking *broadened participation* in those programs designed to be of general significance to the whole community and needing community consensus.

PRODUCTIVITY MEASURES (for a program)

1. The ability to actually *attract citizens* to actively take part in the program.
2. The ability to *involve citizens relatively intensely*, so that they become knowledgeable about the issues and provide well considered responses.
3. The ability to *yield unique information* about the people and organizations affected, the issues involved, and the ideas or viewpoints of the interested parties.
4. The ability to *resolve issues* (rather than to polarize them).
5. The ability to be objectively validated so that the *reliability of information* produced may be verified.

Source: Advisory Commission on Intergovernmental Relations. *Citizen Participation in the American Federal System.* (Washington, D.C.: 1979), 86, 319.
*Italics added for emphasis.

EVALUATING ONA ACTIVITIES

As citizen participation becomes a more institutionalized part of local government, questions regarding the use of public funds frequently arise. Two important questions are: For what specific purposes are these monies being spent? And how effective are the programs?

In a publication on public involvement published by the U.S. Advisory Commission on Intergovernmental Relations (ACIR), productivity is listed along with political feasibility and administrative practicality as one of three criteria that needs to be addressed when designing citizen involvement procedures. (See Figure 3 for specific ACIR recommendations.) Along with the development of performance standards, the Commission also proposes evaluation models, and several attempts also have been made to systematically assess programs.[8]

ONA is now an institutionalized part of Portland city government, and it benefits from the stability provided by such an arrangement. The annual budget review, for example, is no longer the life and death matter it used to be. However, different expectations about agency performance also exist. The office's large budget has prompted the same kind of fiscal attention from the city council that is paid to other bureaus.

FIGURE 4—Example of ONA Performance Standard

Goal

Provide for the sharing of information and maintain a list of reports, studies, data sources, and other available material.

Objective

Improve efficiency and effectiveness of the neighborhood need report process.

Sub-Objective No. 1

Increase city response rate while decreasing response time.

Sub-Objective No. 2

Increase citizen involvement in the process, without increasing staff time, by computerizing information for analysis.

Performance Measure

$$\text{Percentage} = \frac{\text{Need reports acknowledged within 3 months}}{\text{Need reports received yearly}}$$

$$\text{Percentage} = \frac{\text{Need reports acknowledged within 9 months}}{\text{Need reports received yearly}}$$

Shortly after assuming office in 1979, a new mayor raised the issue of whether ONA was cost-effective. The question was legitimate given the city's support of the office, but a difficult one for the agency to answer. As a result, ONA and the city's Bureau of Management and Budget developed a performance measurement system which included performance standards similar to those endorsed by the ACIR.

A set of broad goals were identified, specific objectives within each goal area were defined, and quantitative measures were established, where possible, to measure the extent to which the objectives had been attained.[9] (See Figure 4 for an example of one of the performance standards.) Once these goals and objectives were developed, however, ONA became interested in developing a more comprehensive evaluation system. Under a grant from the Intergovernmental Personnel Act, an effort was made to develop such an approach and carry out a preliminary evaluation.[10]

ONA personnel selected six performance areas for assessment: personnel, efficiency, coordination, information processing, issue identification, and citizen involvement in service delivery. Each of these areas is briefly described in Figure 5.

As the table indicates, the performance areas are quite broad and address aspects of the organization's internal functioning (e.g., operational efficiency) as well as programs in which ONA is involved (e.g., neighborhood service delivery). An effort was made to collect numerical information, but, depending upon the performance area, qualitative data and information of a narrative variety were also used.

Personnel

There are several factors within ONA's structure that have created personnel issues. The organization, for example, relies heavily upon volunteers. The problems that ONA faces are similar to those of other governmental or non-profit agencies that have a volunteer component. It is difficult to motivate volunteers over a sustained period of time. When activities are scheduled, there are frequently competing work, family, and other responsibilities. Volunteers often lack the proper training and/or skills to perform some tasks.

Despite these problems, volunteers play a significant role in ONA. Without their contributions, the many citywide, district, and neighborhood newsletters could not be published. Volunteers have largely staffed many neighborhood studies and projects. People who take a part in ONA-related activities have often acquired substantial knowledge about their neighborhood and developed skills relevant to community problem-solving through their interaction with other volunteers. Without the framework for citizen participation provided by ONA, these learning opportunities might not be open to Portland residents. If the typical pattern of neighborhood action existed, a problem would arise, residents would

mobilize and try to do something about it and then the organization would probably fade away. Consequently, there would be little chance for residents to learn from each other about their neighborhood and how to solve its problems. ONA, through its highly decentralized structure, provides an important mechanism of community education.

A second personnel issue in ONA is the relationship between the central office and the district coordinators. As mentioned earlier, there has always been conflict over the primary responsibility of the coordinators: is it to the city which pays their salary and covers office administrative costs, or to the neighborhoods that appoint them to their job. This aspect of ONA's contractual relationship to the community has never been fully clarified to the satisfaction of either city hall or the neighborhoods.

To assess this personnel dimension of ONA, an [illegible]n research approach was employed. Initially, inter[illegible]s were conducted with the office director, two other central office staff members, and five of the six district coordinators. They were asked to state their attitude toward elements of the organization that they perceived as: (1) "positive aspects that did not need to be changed" (2) "problem areas" and (3) "dimensions where change is needed."

These responses were then used in a questionnaire which was distributed to all personnel. The respondents were asked to respond to these specific statements. Based on the findings from the survey, a meeting was then conducted with ONA staff. In this session, it was clear that the concept of decentralization was fundamental to the perception of ONA. District coordinators place great emphasis on their autonomy and they are strongly committed to the goals of their neighborhoods. Conflict between the coordinators and the central office occur when the latter is seen as representing the interests of city government more than those of the neighborhoods. Further, there is the attitude that initiatives from the central office [illegible] result in centralization of control over the neighbor[illegible]d movement. Nevertheless, a strong task orientation exists at ONA so that, despite these attitudes, central office staff and the district coordinators work well together on a daily basis.

Using the responses to the survey as a starting point, an effort was made to isolate the three major problems faced by ONA. They reflect both issues related to the politics of the organization and questions that are more purely administrative in nature:

1. The need for improved communication and interaction between the central office and the district offices.
2. The need to structure staff meetings so that more attention can be given to problem identification, goal setting, and long-range planning.
3. The need to provide more timely information to the public.

Overall, what kind of conclusions can be drawn about the personnel dimension of ONA? For the volunteer component of the organization, ONA has provided a framework that has allowed neighborhoods to develop an on-going process of citizen participation. Residents have an increased understanding of their neighborhoods, the problems they face, and how to solve them. In this way, ONA, through volunteer participation, has expanded the re-

FIGURE 5—ONA Performance Areas

Personnel. Since ONA is designed to facilitate citizen participation in government, it must actively recruit volunteers. A second personnel dimension reflects the decentralized structure of the organization and involves the relationship between the staff in central administration and those in the district offices.

Efficiency. Since ONA is a funded agency within city government, it is fiscally accountable for the expenditure of funds. Therefore, operational efficiency is a priority. For example, how much do newsletters cost in relationship to Needs Reports? Based on these figures and the perceived impact of each activity, which is the more cost-effective activity?

Coordination. ONA plays a significant coordinating role between city government and city neighborhoods. A main goal of ONA is to better link the programs of city bureaus to the needs of residents. This activity involves the development of mechanisms of citizen input (an important representational function of ONA).

Information Processing. One of ONA's most important functions is to facilitate the production and dissemination of information on city and neighborhood problems, issues, and needs. It publishes newsletters, sends out mailings, conducts studies, and holds meetings. This role is also part of the linkage function played by ONA between city hall and Portland's neighborhoods.

Issue Identification. As a mechanism of citizen input, one of the main functions of ONA is to identify problems in the neighborhoods and find alternative ways to solve them. (e.g., bureau action, self-help, grant applications).

Service Delivery. This term refers to the involvement of residents in service delivery. ONA is active in trying to promote citizen involvement in neighborhood projects, problem-solving, and service provision (a goal directly related to increased public participation in government).

sources available to city government. As a past director of ONA stated:

> Citizens and staff have complementary kinds of knowledge. Staff has the professional training to recognize symptoms and should have some ideas about alternative courses to resolve problems. Citizens have the intimate familiarity with a neighborhood territory, resources, and social networks to supply staff with needed information, and to have a pretty good idea about which possible solution may work in a given area.[11]

In terms of ONA's paid staff, there is a positive attitude toward getting the organization's work accomplished. But underlying this commitment is the unresolved issue of the extent to which the city government should be involved in ONA. The differences of opinion on this question are mirrored in the attitudes of the district staff toward the operation of the central office. It is unlikely that this controversy will be resolved. The purposes of ONA and its decentralized structure will guarantee that staff disagreements over the relative responsibilities of the central and district offices, which have existed since ONA's inception, will be an aspect of organizational life in the future.

Efficiency

With a present budget in excess of $1 million, ONA must address the question of how efficiently it organizes its activities. Each year, its budget is reviewed by the city council and it must be able to justify its expenditures.

Efficiency is generally measured based on the ratio between the cost of the inputs an organization uses—labor, capital, and materials—and the volume of its outputs. This ratio is usually expressed in terms of per unit costs. There are several activities within ONA that have been assessed from this perspective. For example, newsletters, weekly and monthly event calendars, lists of key city staff contacts, and Need Report procedures have been assessed.

Total costs including both labor and materials were divided by the number of reports, needs assessments completed, etc. The cost figures appear below:

ITEM	PER UNIT COST
1. Newsletter	.39
2. Contact List	.60
3. Monthly Calendar	.80
4. Weekly Calendar	1.72
5. Need Report	23.38

To make a judgement on the efficiency of these operations, a performance standard is necessary. Usually, these are developed either by comparing per unit costs across time periods (are costs going up or down?), or by using a widely-accepted standard that serves as a base figure. Neither of these measures were available for ONA's analyses. Nevertheless, a number of observations were made about the data. The weekly calendar, for example, was discovered to be more than twice as expensive to produce as the monthly calendar. Most voluntary organizations publish newsletters that include calendars of events for the upcoming month. Weekly calendars provide more timely information, and can alert residents to meetings that are hastily scheduled because of a local crisis, etc. A monthly calendar would not be able to furnish such a notice. The data enabled ONA to focus on whether the weekly calendars were worth the additional cost.

One of the three goals that resulted from a workshop with ONA staff was the need to provide timely information to the public. The weekly calendar is one way to accomplish this goal. But relative to other information activities, it is expensive. In the end, trade-offs have to be made between cost and effectiveness for citizen participation in the same way it is done for any governmental program.

Efficiency is only one important measure of program performance; effectiveness is another. Various ONA activities were also rated in terms of their effectiveness, and the top ranked item was the Neighborhood Need Report. Consequently, its high per unit cost is balanced by its perceived effectiveness.

The cost-effectiveness of ONA operations is increased by the use of volunteers. The extent of volunteer participation in newsletter production, the holding of meetings and workshops, and neighborhood studies was examined. The assumption was that the city would have to finance these activities if ONA and its volunteers did not exist. An hourly rate of $5.50 was used to estimate the cost of a volunteer's time. (This amount was what ONA paid workstudy students at the time of the study.)

Data on volunteer labor and production costs for newsletter production were collected for four district offices on a monthly basis (over the period of a year). Approximately 135 volunteer hours were involved each month. At the $5.50 rate, the cost savings was $8,190 a year.

The organization of meetings and workshops involves the active participation of volunteers. Over the year period, 94 volunteer hours went into organizing regular ONA-sponsored meetings. Eighty-three hours were spent by volunteers on special conferences. The cost savings for the year from citizen participation was $973.50.

Several of the district office and neighborhood associations conducted studies during the year. Topics ranged from housing displacement to neighborhood parking. A total of nine studies were undertaken and 57 volunteers contributed their time. It was not possible to determine the number of volunteer hours since no records were kept. The studies would have been quite expensive if consulting firms had been used. Regular staff resources are

very limited for this purpose. Some studies involved technical assistance from the city with volunteers performing the field work. In some cases, volunteers conducted the research entirely themselves.

Again, it is difficult to make decisions about the efficiency of ONA's operations without the use of performance standards. However, there is evidence to suggest that the organization operates in a reasonably efficient manner and produces some cost-savings for the city. The per unit costs of the newsletters, contact list, and monthly calendar, which range from .39 to .80, are not unduly high in light of the staff time, material, duplicating, and postage expense that are necessary in producing these types of items. The weekly calendar has a substantially higher per unit cost, but it does provide "timely" information, an important goal of ONA staff. The Neighborhood Need Report is very costly, but is ranked by citizens and staff as the most effective of ONA's activities. Finally, ONA's volunteer network has the capacity to generate considerable cost savings for the city if the assumption is made that activities now performed by volunteers would have to be undertaken by the city if ONA did not exist.

Coordination, Information Processing, and Issue Identification

A major function of the ONA is to serve as a link between city hall and city neighborhoods. ONA coordinates technical assistance programs for neighborhoods, often drawing on resources from several different bureaus. Besides publishing the newsletters, it provides other forms of information (e.g., hot lines) to the city's residents, and through the Neighborhood Need Reports, it serves as a vehicle for problem identification. ONA's "contact list" helps residents find the appropriate person in city hall or the community to deal with a problem. Hence, problems are directed to the bureaus that are best able to respond to specific neighborhood needs.

Coordination is used as one of ONA's goals in its performance measurement system. An example of a coordination objective and an indicator under the goal are listed below. The objective in this example deals with requests that bureaus often make to ONA for citizen involvement in city projects such as park renovation.

Objective:

Coordinate citizen contacts with city agencies

Indicator:

$$\text{Percentage} = \frac{\text{Number of bureau projects assisted}}{\text{Number of bureau project assistance requests}}$$

The exchange of information between citizens and government is one of the most important dimensions of public involvement. Most activities involve the collection or dissemination of information in some way. There are many ways an agency can facilitate the communication process. The Advisory Commission on Intergovernmental Relations lists 12 different methods, some formal and others quite informal.[12] At one time or another, these methods (see Figure 6) have been used in Portland to facilitate citizen participation. In the early days of the neighborhood movement, word-of-mouth was the primary way that information circulated among residents. With the formation of ONA, a formal dimension was added with the publication of newsletters, the holding of meetings, and the use of techniques such as the contact list.

Another linkage role of ONA is issue or problem identification. The Neighborhood Need Report is the most significant activity within this area. As discussed earlier, it is a formal process whereby individuals and groups in the community can make a request, through ONA, for local government action on a problem.

A mail survey was used to assess ONA's "linkage" roles. The agency's contact list of city personnel and citizens was used as the population. A random sample of 53 citizens and 55 staff members was chosen from the list (48 percent responded). This approach was employed, as discussed above, since these two groups are served by ONA in its efforts to better link city hall to the neighborhoods.

The respondents were asked to rate the performance of ONA on 11 specific activities related to the areas of coordination, information processing, and issue identification. A ten-point rating scale was employed. The questions and the results from the survey appear in *Figure 7*.

Overall, the scores on the 11 activities indicate that ONA's performance in its linkage functions is positive. It has been especially successful in establishing stronger relationships between the city staff and the neighborhoods through activities such as the Need Reports.

FIGURE 6—Information Channels for Citizen Participation

1. Open Government
2. Meetings and Speakers Bureaus
3. Conferences
4. Publications
5. Mass Media
6. Displays and Exhibits
7. Direct Mailings
8. Advertising and Public Notices
9. Hot Lines
10. Drop-in Centers
11. Correspondence
12. Word of Mouth

Source: Advisory Commission on Intergovernmental Relations, *Citizen Participation in the American Federal System*, Washington, D.C., 1979, 65.

Citizen Involvement in Service Delivery

Another form of citizen participation in government is resident involvement in neighborhood service delivery. Several advantages can arise from such arrangements. Along with increasing the level of citizen participation in government, more responsive services may result since residents are often more aware of neighborhood problems than professional staff.[13] ONA has been very active in promoting neighborhood-based service delivery. *Figure 8* provides a list of some of the types of service delivery activities ONA has facilitated.

To evaluate ONA's service delivery activities, a number of different projects were examined. In each case, the projects would not have been possible without the active participation of neighborhood residents. In some cases, the projects were entirely self-help in nature. That is, other than the pre-existing framework of organization and contacts provided by the neighborhood association, residents undertook the project completely on their own.

The purpose of this part of the assessment was to determine whether ONA was successful in fostering neighborhood service delivery, one of the six performance areas examined. As the examples illustrate, the neighborhood associations have proved to be viable frameworks for neighborhood-level service delivery.

The area where citizens have been most active is planning. As discussed earlier, land use issues were a major reason for the development of citizen organizations in the 1960s. Also, the first cooperative efforts between the neighborhoods and the city were in planning and zoning.

In the 1970s, the city planning staff and four neighborhoods collaborated to produce plans, each one eventually approved by the city council. In each case, bureau staff supplied technical assistance while volunteers identified neighborhood issues and problems, conducted the majority of field work and made all the significant policy decisions. In the case of one neighborhood, an innovative zoning classification was established which permitted new residential development at a higher density than otherwise allowed. Eligible structures had specific architectural features that provided for a high quality living environment for residents and visual compatibility for neighbors. The zone was later used in another part of the city in its neighborhood plan.

The Bureau of Planning also relied heavily upon neighborhood associations for input during the development of the Portland Comprehensive Plan, which took three years to complete. Some Portland neighborhoods had neither parks nor available land to create them. The Park Bureau attempted to remedy the problem by converting public school playgrounds into community parks with funds from the federal Urban Parks Recreational and Recovery Act. One neighborhood association, concerned about the inevitable delays with federal grant monies, requested funding for materials only, offering to do the actual work with volunteers. They also obtained donations of services or materials from the Army National Guard and local businesses and community service groups. The cost of the project came to $40,000. The cost for a similar school park project which was built by a private contractor less than a half mile away, was $360,000.

FIGURE 7—Rating of ONA Performance in Linkage Functions*

Activity	Average
(1) Processing "Neighborhood Need Reports"	7.7
(2) Referring citizens to appropriate agencies	7.4
(3) Maintaining and distributing "contact list" of key people	7.3
(4) Publishing of newsletters, etc.	7.0
(5) Relaying citizen concerns to city hall	7.1
(6) Facilitating involvement in neighborhood projects	6.8
(7) Providing emergency information	6.7
(8) Gathering information on neighborhood needs	6.6
(9) Holding workshops and meetings	6.4
(10) Securing technical assistance for neighborhoods and groups	6.3
(11) Conducting neighborhood studies and surveys	5.3

*Coordination, information processing, and issue identification.

FIGURE 8—ONA Neighborhood-Based Service Delivery Activities

1. Neighborhood crime watch.
2. Recycling and clean-up programs.
3. Park construction and improvement and tree plantings.
4. Male volunteers to serve as an escort service for women as part of an anti-rape program.
5. Tool lending library for home improvement.
6. Solicitation of property owners to sign forms for street improvements.
7. Distribution of literature, by neighborhood volunteers, on home rehabilitation.
8. Exterior or windshield surveys of neighborhood housing quality.
9. Preparation of neighborhood planning maps.

In a number of neighborhoods, associations have worked with local businesses and professional groups to promote retail and commercial activities. In one neighborhood, the NA helped to form a business organization. One of the group's first activities was to print a neighborhood business directory. ONA contributed $500 under a technical assistance program. This grant was matched by $4800 in contributions by merchants, and volunteers contributed time and services worth several thousand dollars.

In general, ONA has been involved in a wide range of activities related to neighborhood service delivery. The central office has provided funds and technical assistance. The NAs have been the source of project initiative, grant writing ability, and volunteer labor. For a neighborhood to engage in a project requires planning, administration, and implementation. Long-term commitments from residents are frequently necessary and many have to be willing to volunteer long hours. ONA has provided the necessary organizational framework so that this type of neighborhood activity can occur.

CONCLUSION

In its 12 year history, ONA has become a significant part of Portland city government. It has evolved into a complex, multi-layered system of neighborhood associations, district offices, and a main office in city hall. Originally envisioned as primarily a mechanism to facilitate communication between the city and its neighborhoods, its scope has expanded to include important activities in the areas of land use and budget planning, crime prevention, and emergency assistance.

Initially, ONA had to establish its credibility as a viable mechanism of citizen involvement. Both city officials and citizens had major reservations about it. The former group feared that it would be dominated by community activists who would use it as a forum for their own purposes. Many residents thought the administrative structure would lead to the city co-opting the neighborhood movement. ONA has neither become an organization dominated by the "professional activist" nor city hall. It has proved to be fairly representative of the community.[14]

One of ONA's main strengths is its decentralized structure. The result has been high levels of citizen participation in advisory roles (through mechanisms like the budget advisory committees), problem identification (best exemplified by the Neighborhood Need Reports) and neighborhood-based service delivery. At the same time, ONA's organizational arrangement has produced friction between the neighborhoods and city government. This conflict is best exemplified in the relationship between the district coordinators and the central office. The coordinators are strongly committed to the neighborhoods within their districts and feel they should be able to act independently of city hall. Initiatives proposed by the central office are sometimes seen as attempts by city hall to gain greater control.

The tension stemming from this relationship is probably unavoidable. ONA is a participatory, grassroots organization. Neighborhood residents think of it in these terms. They view their involvement as a right, part of the democratic process, and an end in itself. On the other hand, city government's attitude is much more instrumental. Public participation is seen as a means to an end. Administrators look at the contact list, budget advisory committees, and Neighborhood Need Reports as ways to improve bureau performance. They are not trying to coopt citizens to serve bureau ends, which has been the criticism of many participatory arrangements. Instead, their goals and objectives are simply different from residents of the community. These contrasts in attitude, however, are healthy. The advocacy orientation of citizens puts political pressure on the local government, making it more accountable. The willingness of agencies to constructively use citizen input through Need Reports, etc., results in more responsive services.

The most important, long-term issue for ONA is the extent to which it can recruit and maintain the groups of residents willing to work for their neighborhoods. But as it approaches a more mature stage of development, it may be undergoing a change that will lessen the level of citizen participation. It is now an accepted part of the governmental process. Neighborhood activists, however, express the concern that ONA is becoming too institutionalized and politically attractive for that reason. They cite the fact that it has become a stepping stone for people with political ambitions. They fear the result will be a loss of its grassroots character because the politicians will coopt the organization. As evidence, they mention the five members of Portland's state legislative delegation who have been, at one time or another, members of the boards of neighborhood associations. A district coordinator was elected to the city council, relying heavily for campaign support on neighborhood connections. And the present mayor of the city, Bud Clark, was a member of two different neighborhood association boards. Many residents also feel the administration of the central office is becoming typical of most bureaus within Portland city government: there is too much red tape.

It is hard to judge whether the implications of these perceived issues, as some citizens claim, will result in a much less participatory and innovative ONA than in the past. One of the dilemmas of a large organization is to maintain the flexibility and adaptability that often accompanies the early years of its development. Nevertheless, ONA, in its 12 year history, has been able to grow and change as the city of Portland has been shaped by new forces, as federal funds for citizen participation have disappeared, and the spirit of the participatory revolution of the 1960s waned. Any forecasts about its future directions must recognize that ONA has never been a static organization and has shown a strong ability to adapt to a wide range of challenges.

Finally, the question needs to be asked about the extent to which Portland's experiment in citizen participation is transferable to other cities. The history of public

involvement in Portland, which culminated in ONA, is something that cannot be spontaneously created. Without a committed citizenry with experience in neighborhood organization, it would be difficult to create a structure like ONA. But many of the specific innovations that have resulted from the ONA experience can be developed by other local governments. The Need Report has resulted in a local government that is more responsive to neighborhood problems. The Budget Advisory Committees have increased the public accountability of the budgetary process. In an era of cutback management, the decentralized structure of ONA has served as a framework for neighborhood-based service delivery which is often touted as a cost-cutting measure. Volunteers working through ONA have produced a widespread informational network, one that has been helpful in emergency situations. Most importantly, Portland's system of citizen participation has shown that residents, concerned about their neighborhood and community, can contribute to the process of local governance.

[1] For an analysis of the effects of federal programs and land use issues on citizen participation see Robert A. Aleshire. "Power to the People: An Assessment of the Community Action and Model Cities Experience." *Public Administration Review*. 32 (September 1972), 435-450; and Nelson M. Rosenbaum, *Citizen Involvement in Land Use Governance: Issues and Methods* (Washington, D.C.: Urban Institute, 1976).

[2] For a discussion of these and related issues see George Frederickson, ed., *Neighborhood Control in the 1970's: Politics, Administration and Citizen Participation* (New York: Chandler, 1973).

[3] One of the most quoted articles on the issue of bureaucratic cooptation and citizen participation is Sherry Arnstein, "A Ladder of Citizen Participation," *Journal of the American Institute of Planners*, 35 (July 1969), 216-224. For a detailed account of the tensions that exist between community organizations and urban bureaucracies see Marilyn Gittell, *Limits to Citizen Participation: The Decline of Community Organizations* (Beverly Hills, Calif.: Sage Publications, 1980).

[4] A summary of the findings on political participation can be found in Sidney Verba and Norman Nie, *Participation in America: Political Democracy and Social Equality* (New York: Harper and Row, 1972).

[5] See Steve Waldhorn and Jim Gollub, *Rediscovering Governance Tools: New Applications for Urban Neighborhoods*, MIS Reports, 12 (Washington, D.C.: International City Management Association, August 1980).

[6] Advisory Commission on Intergovernmental Relations, *Sunset Legislation and Zero-Based Budgeting*. Information Bulletin no. 76-5, December 1976.

[7] Gerald J. Hoetmer, *Emergency Management*, Baseline Data Report, 15 (Washington, D.C.: International City Management Association, April 1983).

[8] One of the most comprehensive evaluations of citizen participation programs is Jeane Nienaber and Daniel A. Mazmanian, *Can Organizations Change? Environmental Protection, Citizen Participation and the Corps of Engineers* (Washington, D.C.: The Brookings Institute, 1979). For a review of approaches to the evaluation of public involvement programs see: W. R. Sewell and Susan D. Phillips, "Models for the Evaluation of Public Participation Programs," *Journal of Natural Resources*, April 1979, 58-88. A specific evaluation methodology is presented in Judy B. Rosener, "Citizen Participation: Can We Measure its Effectiveness?" *Public Administration Review*, 38 (September/October 1978), 457-463.

[9] Bureau of Management and Budget, City of Portland, *Goals, Objectives and Performance Measures* (Portland, Oregon, February 1978).

[10] The performance assessment system that was developed for ONA is presented in Bruce B. Clary, *Evaluating Citizen Participation Functions: A Manual for Local Government*. Center for Urban Studies, Portland State University, January 1982. The report was prepared under a grant from the Intergovernmental Personnel Act, U.S. Office of Personnel Management.

[11] Mary C. Pederson, "Citizen Participation in Portland, Oregon." Paper prepared for the National Conference for Neighborhood Coordinators, May 19, 1976.

[12] Advisory Commission on Intergovernmental Relations, *Citizen Participation in the American Federal System*, 65.

[13] Mark S. Rosentraub and Elaine B. Sharp, "Consumers as Producers of Social Services: Coproduction and the Level of Services," *Midwest Review of Public Administration*, 4 (March 1981), 513.

[14] Charles R. White and Sheldon M. Edner, "Participation in Neighborhood Associations," *Community Action*, (September/October 1981), 48-52.

World Learning

Section 7

The External Environment: Three Components-Diversification A Glance at Financial Resources AARP's Nonprofit Status Comes Under Scrutiny

Three Components - Diversification

Self-financing activities:
Sale of service or products; membership fees; interest from investments

Local fundraising:
General public; local government; private se

External fundraising:
Long-term flexible grants

Self-financing

* Membership contributions
* Income-generating activities
* Interest from investments
* Fundraising from the general public
* Administrative overhead on project grants

Sale of Services

* Secretariat: photocopying; typing; printing; general services
* Publications: sell others publications; publish your own books/manuals; publish your own periodical
* Vehicles & equipment: rent trucks/lorries/vehicles; rent machines/tools
* Premises: space for offices; meeting space/facilities; warehouse space
* Consultancy: training, evaluations, research

Financing the Core Budget

1. Cut down administrative budget.
2. Reduce the administrative budget to minimum by shifting expenses to program budget.
3. Request an "overhead" administrative expenses allowance from donors.
4. If no overhead available, debit the project for all services provided the project.
5. Negotiate on institution building grants from donors.
6. Increase your own income sources and use this money to cover administrative expenses.

World Vision Relief & Development
Financial Resources - Revenues and Expenses
Fiscal year ends: September 30

Revenue	FY 1994	FY 1993
Contributions (Individual and Corporate)	$147,087,000	$146,534,000
Membership Dues	0	0
Foundation Grants	0	0
US Government Grants/Contracts	33,016,000	25,660,000
In-Kind (including Food Aid)	24,529,000	21,795,000
Other Governmental and Intergovernmental Grants/Contracts	0	0
Other Revenue	1,112,000	2,000,000
Private In-Kind Contributions	73,167,000	62,921,000
Total Revenue	$278,911,000	$258,910,000

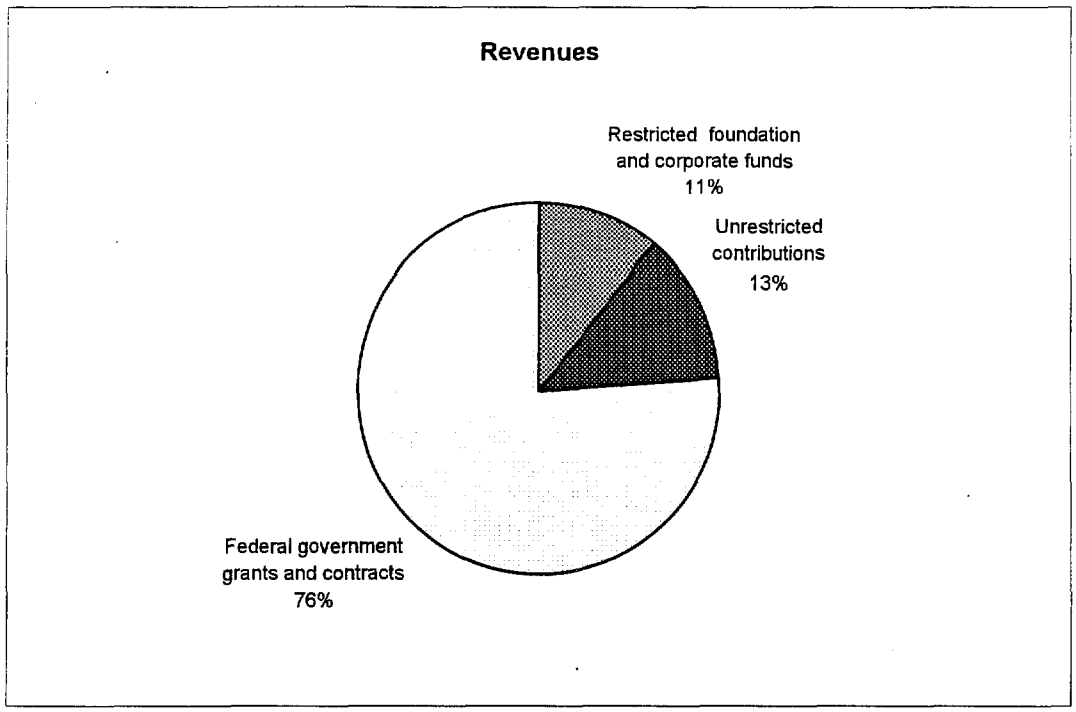
Expenses		
Program Expenses	$214,196,000	$200,713,000
Administration/Management	32,495,000	28,202,000
Fund Raising	35,306,000	31,895,000
In-Kind Contribution	0	0
Other Expenses	0	1,705,000
Total Expenses	$281,997,000	$262,515,000
Revenue Over/(Under) Expenses	($3,086,000)	($3,605,000)
International/Domestic Expenses (%)	72% / 28%	73% / 27%

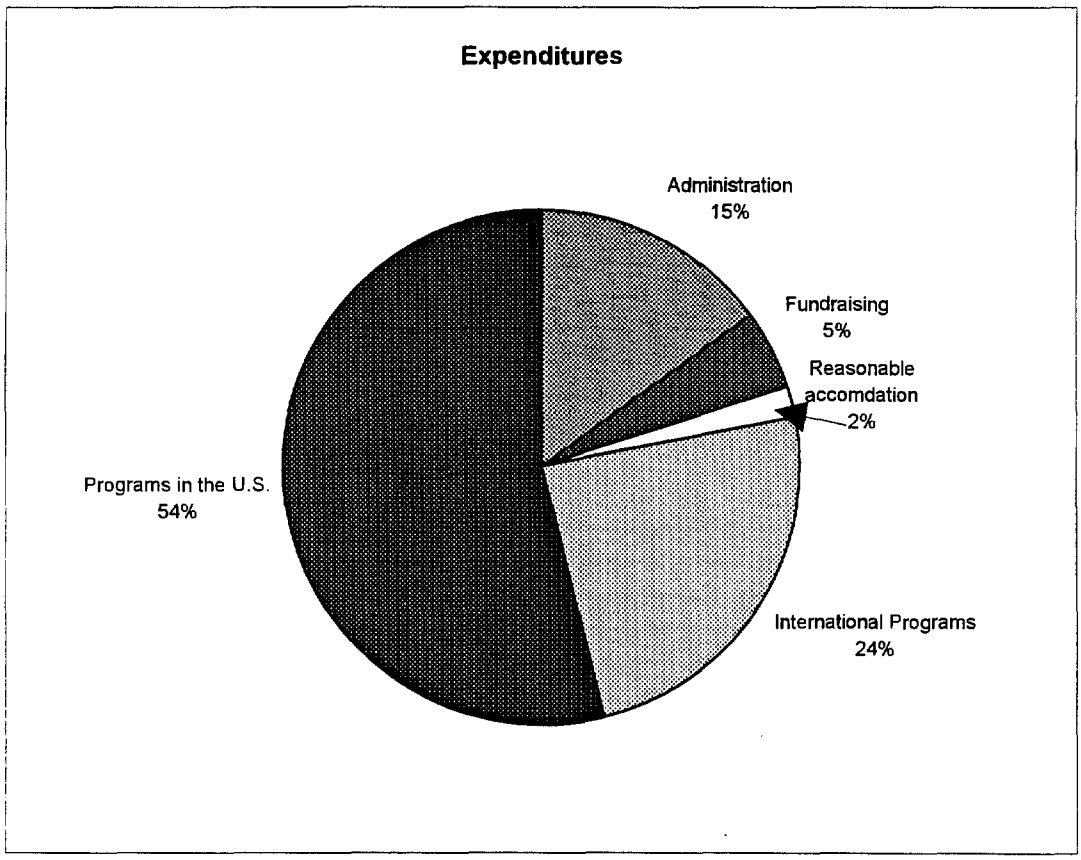
World Learning
Financial Resources - Revenues and Expenses
FiscaL year ends: August 31

Revenue	FY 1994	FY 1993
Contributions (Individual and Corporate)	$2,653,180	$1,227,764
Membership Dues	0	0
Foundation Grants	0	0
US Government Grants/Contracts	31,062,238	23,513,429
In-Kind (including Food Aid)	0	0
Other Governmental and Intergovernmental Grants/Contracts	458,332	724,489
Other Revenue	34,271,941	32,521,744
Private In-Kind Contributions	0	0
Total Revenue	$68,445,691	$57,987,426

Expenses		
Program Expenses	$59,509,726	$49,892,888
Administration/Management	7,934,866	7,274,888
Fund Raising	376,873	364,125
In-Kind Contribution	0	0
Other Expenses	0	0
Total Expenses	$67,821,465	$57,531,901
Revenue Over/(Under) Expenses	$624,226	$455,525
International/Domestic Expenses (%)	100% / 0%	100% / 0%

World Institute on Disability
Financial Resources - Revenues and Expenses





Washington Post article, May 22, 1995
"AARP's Nonprofit Status Comes Under Scrutiny"

ARP's Nonprofit Status omes Under Scrutiny

imercial Activities Put Group in Spotlight

By David S. Hilzenrath
Washington Post Staff Writer

: American Association of Re- 'ersons, the powerful advocate e nation's elderly, claims tax- it sta s as a nonprofit organi- . But lso is a big business, made more money last year nost the Washington area's ly trad d corporations.

: AARP took in $173.3 mil- 45 percent of its revenue—by g companies sell its members cts as diverse as home, health ito insurance; credit cards and l funds; car rentals, prescrip- lrugs, vitamins and shampoo.

: commercial operations have so successful that the group ecome embroiled in a dispute the Internal Revenue Service whether it owes millions of dol- ı taxes each year.

th 33 million members, the ?.is one of Washington's most dable lobbies, and has vigorous- ended seniors' Medicare health insurance benefits in the current budget battle. The association argues that Medicare should not be targeted to reduce the federal deficit.

Now, the AARP isn't just talking about the issues. It has become one.

Sen. Alan K. Simpson (R-Wyo.), who chairs the subcommittee on Social Security and family policy, contends the AARP abuses its nonprofit status. He plans to hold a hearing Thursday to examine its finances, including its fight with the IRS.

As Simpson described it, his inquiry is at least partly related to his strong disagreement with the AARP over Medicare funding. "If you're going to distort the national debate, then I think people ought to know who you are," he said.

But describing the AARP is no simple matter. "It's rather hard to put us in any category, given the size and complexity of what we do," said its executive director, Horace B. Deets.

See AARP, A8, Col. 1

AARP, From A1

In addition to its product endorsements, it publishes a magazine, Modern Maturity, that reaches twice as many households as Time, Newsweek and U.S. News & World Report magazines combined. It is studying the possibility of creating its own cable television channel. It recently began offering annuities and life insurance, and it is preparing to introduce dental and vision care plans on a test basis.

Although its name suggests it represents only retirees, it starts recruiting people when they reach the age of 50, and a quarter of its members work full time.

The AARP fulfills its social welfare mission most clearly through its "programs and field services," which include efforts to help seniors avoid consumer fraud, cope with the death of a spouse and care for disabled relatives. These activities consumed $71.4 million of last year's budget.

The organization also takes credit for helping to place older workers in government and community-service jobs and for providing tax advice to seniors. But those activities were funded through $86.4 million in federal grants last year. AARP officials said they ended up subsidizing those programs with association resources.

All told, the AARP took in $382.4 million in 1994, not including the federal grants. After expenses, it finished the year $23.9 million in the black and had $43.3 million in its treasury.

AARP executives say most of its commercial activities are product endorsements that should not be taxed. The royalties from these endorsements help support the association's public service activities and the products enhance the quality of its members' lives, they say.

The IRS challenges that interpretation, and the AARP paid the agency $135 million last year to resolve an audit over tax returns for 1985 through 1993.

Though the AARP plans to pay other $15 million "in lieu of taxes" 1994 to continue its dialogue h the IRS, the association has neir conceded the issue nor agreed pay taxes on that revenue in the ure, its executives said.

The revenue sources over which AARP and the IRS have been ating brought in $138.8 million in 94, said Steven S. Zaleznick, the sociation's general counsel.

Meanwhile, the D.C. government s never sought, and the AARP has t paid, any local taxes on the reve- e the IRS says the group improp- y treated as tax-free, Zaleznick id. He said that if the IRS prevails its position, the revenue streams o could be taxed by the District in e future.

The AARP also has tangled with e Postal Service, which accused it mis its postal privilege. As a nprof the AARP is allowed to nd c ain types of mail at dis- unted rates, which saved it $11 illion last year.

The Postal Service alleged that e AARP had improperly mailed so- itations for health insurance poli- es at nonprofit rates during 1991 d 1992, Zaleznick said. The AARP ttled the matter last year, agree- g to pay $2.8 million, he said.

t the Beginning

The AARP was born with an en- epreneurial spirit.

In 1958, long before Medicare as created to provide health cover- ge for senior citizens, the associa- on's founder, retired California hool principal Ethel Percy Andrus, ined es with a commercial in- rer t meet the need. The AARP rew its insurer prospered.

Today, the AARP's economic lout is reflected in the marble lobby nd mahogany-paneled elevators of s downtown Washington headquar- ers, where the majority of its 1,752 ll-time employees work. It is re- ected in the $3.6 billion that its embers paid for AARP health in- urance last year and the $11.8 bil- on they had invested in the AARP mily of mutual funds.

When the association decided to ettle with the IRS last year it had o trouble coming up with the $135 illion. "We wrote a check," said mes A. Maigret, the AARP's chief nancial officer.

The group owes its strength rgely to the buying power of its members. To tap that market, companies such as Prudential Insurance Co. of America, ITT Hartford Insurance Group, American Express Co. and Amoco Corp. pay the AARP a percentage of sales in return for product endorsements and access to the AARP's mailing list.

While the AARP's 33 million dues-paying members make politicians sit up and take note, only one in seven members say they join the organization for its lobbying. Many more enroll for the special products and discounts made available with the AARP's endorsement, according to an association survey.

The AARP's nonprofit status enhances the value of its product endorsements because members "have this cozy, fuzzy feeling of AARP as a large, benevolent, objective organization," said an insurance executive, whose company competes against the AARP endorsement.

The endorsement means the AARP considers a product to be the best value for its members, though not necessarily the cheapest, said Wayne F. Haefer, director of the membership division.

For example, unlike many rival products, Prudential's AARP Medicare supplemental health insurance policies do not adjust prices based on members' ages. As a result, younger members may pay more than they would elsewhere, older members may pay less, and the senior population in general gets an added measure of financial stability.

In a similar vein, the auto insurance that ITT Hartford offers AARP members contains an unusual provision that protects policyholders as they get older. Hartford pledges to continue coverage unless the policyholder stops paying the premium or loses his or her driver's license.

The mail-order pharmacy service the AARP has long offered through Retired Persons Services Inc. of Alexandria gives members the convenience of home delivery combined with discounts that can undercut retail competitors.

One of the few income sources the AARP agrees is taxable is its mutual fund venture. In the crowded world of mutual funds, the AARP's eight offerings through the investment firm Scudder, Stevens & Clark Inc. "are sort of a mixed bag" for investors, said analyst Mark Wright of Morningstar, which provides research on mutual funds.

From 1989 to 1994, the share of the management fees the AARP received from the funds increased faster than the funds themselves. While the assets of the funds tripled, the AARP's compensation more than quintupled, rising to $7.6 million from $1.4 million, Scudder said.

The AARP generated less revenue from dues last year than it did

BY TOOLEY—THE

from these various business relationships. Dues brought in $145.7 million; the AARP's cut of Prudential health insurance premiums alone totaled $101.7 million, and the premiums themselves, which the association collects for Prudential, generated another $17.7 million of interest while they sat on deposit with the association.

Lobbying Interests

Simpson and other critics, such as the consumer advocacy group Public Citizen, say the AARP's business interests compromise the group's loyalty to its members.

"It's not an off-the-wall question," Deets conceded. "The potential may always be there . . . that conflicts could arise."

But the AARP's lobbying is guided by the members' interests, Deets said. "We do not advocate any policy because it's going to generate eco-

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:: advantage" for the associa-
he said.

ie AARP's lobbying positions
et by a national council appoint-
y its board of directors from
ng the organization's legislative
nteers. The council meets once
ar.

rities say the organization's per-
ent staff in Washington shapes
RP policy with little accountabili-
o the grass roots. "The National
islative Council by and large, not
percent, is a rubber stamp," said
ce L. Douglas, 69, an oral sur-
n and a former president of the
RP's North Shore Chapter in Illi-
s. The AARP "is not a democrati-
ly structured organization," he
d.

Deets said members "vote with
ir feet and their checkbook" when
y decide whether to renew their
annual memberships.

Sidney M. Wolfe, who founded the
blic Citizen Health Research
oup Ralph Nader, faulted the
ARP for backing national health
re reform proposals last year that
uld have preserved a role for pri-
te insurers such as Prudential.
ARP members would fare better
der a single-payer system, in
ich the government paid all the
ls, Wolfe said.

AARP officials countered that on-
a minority of members supported
e single-payer approach in associa-
on surveys. When the AARP's Cali-
rnia organization fought for a sin-
le-payer initiative on that state's
allot last fall, AARP headquarters
asn't happy, but it did not stand in
e way, executives here said.

The possibility that health care
eform might jeopardize the AARP's
evenue from health insurance has
aused enough concern at the orga-
izatio n recent years that it has
tudied ways to generate new reve-
ue o make do with a smaller budg-
t, AARP executives said.

In the Medicare debate the AARP
rguably is lobbying against its eco-
omic self-interest. If Congress cut
Medicare benefits, it could expand
he market for the supplemental in-
urance policies the association of-
ers its members.

Because the AARP membership is
o diverse, the group can find itself
ut of step with many of its mem-
ers. In 1988 it successfully pushed
or enactment of a bill that provided
atastrophic health coverage for se-
ior citizens—and that taxed them
or it, based on their income. The
nsuing protest from some seniors
as so intense that Congress re-
ealed the law a year later.

Questions on Profit

To the senior senator from Wyoming, the AARP's dispute with the IRS is an open-and-shut case.

"It's my opinion they're not a nonprofit at all. They're a big profit—a big, big profit," Simpson said. If the AARP can succeed in claiming its revenue from product endorsements is tax-free, "we are clearly in need of a complete overhaul of our nonprofit business tax enforcement," Simpson said.

Tax law on the subject leaves a lot of room for interpretation, legal experts said.

The IRS has "probably interpreted it too tightly but the courts have probably interpreted too loosely, and clever lawyers can find the hole that courts have left," said tax lawyer Sheldon S. Cohen, a former IRS commissioner. "The Congress doesn't know what it wants to do. They flinch when it comes to this issue and go both ways."

The dispute involves areas of the tax code that other nonprofit organizations and the IRS have fought over privately and in the courts. Further complicating matters, tax law created several categories of nonprofit organizations, each of which has its own rules. As a "social welfare organization," the AARP is held to a different standard than a charity, for example.

The IRS declined to comment on the AARP's case, citing taxpayer confidentiality. As AARP General Counsel Zaleznick tells it, the dispute hinges largely on this test: What are Prudential, ITT Hartford and the rest getting for the millions of dollars they pay the AARP each year?

Return on Investment

As far as the IRS is concerned, nonprofit groups such as the AARP are allowed to earn tax-free royalties for letting businesses use their name and logo, but they must pay taxes on income they earn from selling their mailing lists, Zaleznick said.

The AARP argues that companies are paying for the group's endorsement, not for its mailing list. "The value is the license to use the organization's name," Zaleznick said. The mailing list has only "incidental" value, he said.

The AARP's executive director acknowledges that businesses value the ability to target AARP members through direct marketing. "We get probably 1,200 unsolicited proposals a year to do things. People see our membership as a market and they say, 'Well, there's a tremendous possibility if we could just mail to all of your members,' " Deets said.

The mailing list is "very valuable in that it allows us to market our products very effectively to members of AARP," ITT Hartford Vice President Michael Hughes said. That capability "does definitely give us a competitive advantage," Hughes said.

New York Life Insurance Co. Senior Vice President Robert L. Smith said the ability to mail life insurance offerings to millions of AARP members "gives tremendous value to us as a company in terms of exposure to the market." But, he added, "the mailing list without the endorsement is not that valuable."

The AARP says there is a more fundamental reason why it should not have to pay taxes on income from health insurance sales. Its "singularly unique" insurance policies are "enhancing the quality of life of older persons" and "aiding the elderly in their needs," the association said on its 1993 tax return.

The AARP considers the advertising revenue from its magazine and bulletin—$47.3 million last year—to be taxable. But Zaleznick said the association has not paid taxes on that revenue for as long as he could recall because, counting deductions, the publications have lost money year after year.

Charles W. Allen, AARP publishing director, said he believes the publications may be earning millions of dollars of profit. The bottom line depends on accounting decisions as to how much of the organization's overhead expenses get allocated to the publications, he said.

"It depends on how you take the numbers and use the numbers," Allen said. "People can spin numbers a lot of different ways."

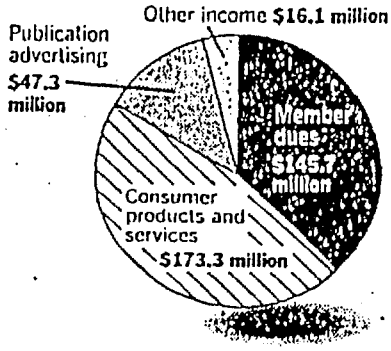
Staff researcher Richard Drezen contributed to this report.

THE AARP EMPIRE

A LOOK AT THE FINANCES OF THE AMERICAN ASSOCIATION OF RETIRED PERSONS

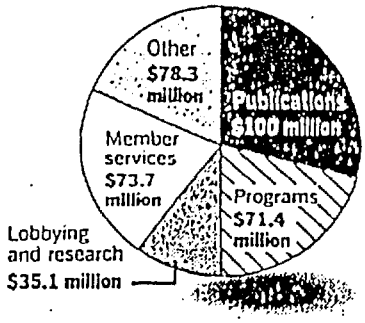
REVENUE

THE AARP COLLECTED $382.4 MILLION IN 1994*



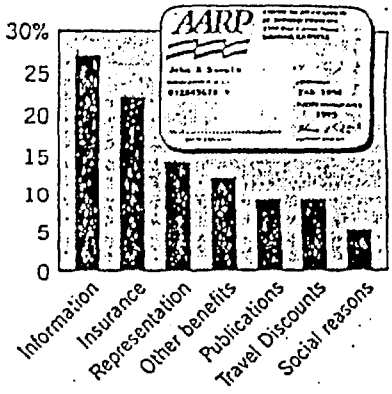
EXPENSES

THE AARP SPENT $358.5 MILLION IN 1994*



MEMBERS

WHY THE AARP'S 33 MILLION MEMBERS SAY THEY JOINED



AT THEIR SERVICE IN 1994

WHAT AARP GROSSED FROM CONSUMER SERVICES

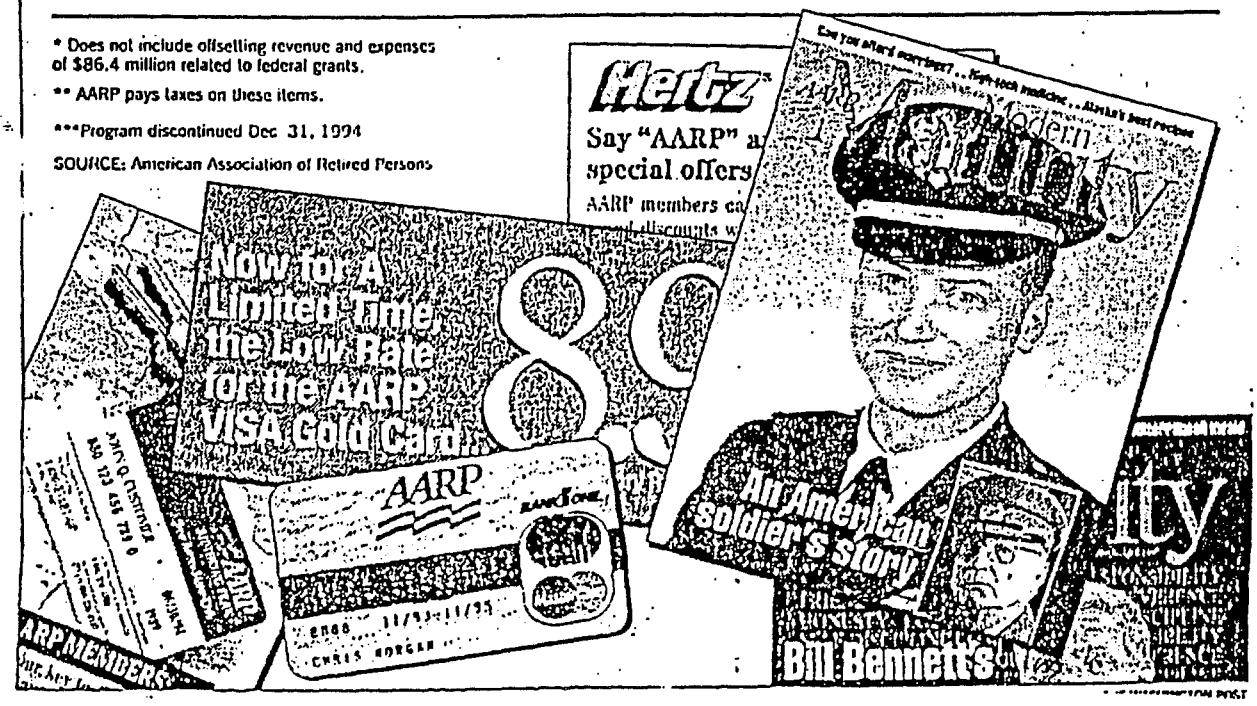
SERVICE	PROVIDER	PARTICIPATION	REVENUE
Group health insurance	Prudential Insurance	5.8 million individuals	$119.4 million
Mutual funds	Scudder Stevens & Clark	800,000 accounts	$7.6 million**
Pharmacy	Retired Persons Services	2.5 million customers	$4.3 million
Auto/home insurance	ITT Hartford	1.6 million policyholders	$35 million
Mobil home insurance	Foremost Insurance	113,000 policyholders	$1.7 million
Visa/Mastercard	Bank One	1.2 million card holders	$8.7 million**
Travel services***	American Express	4,000 travelers	$155,000
Motoring plan	Amoco	900,000 households	$1.9 million
Car rental	Avis, Hertz, National	1.7 million members	$4.5 million
TOTAL REVENUE			$173.3 million

* Does not include offsetting revenue and expenses of $86.4 million related to federal grants.

** AARP pays taxes on these items.

***Program discontinued Dec. 31, 1994

SOURCE: American Association of Retired Persons



World Learning

Section 8

Complimentary Resource Materials:
Interlegal Press Release
Case Studies
Businesses Object to Charities' Lucrative
New Venture
Marketing
Strategic Planning
Social Changes
NGO Management Training
Needs Analysis

INTERLEGAL

International
Non-Government
Foundation for
Political and Legal Studies

PRESS RELEASE

AUTHORS PRESENT A NEW LAW

Boris Yeltsin, President of the Russian Federation, signed the Law of the Russian Federation "On Public Associations" which was adopted by the State Duma and took effect on May 25, 1995. Before that the activity of public associations was regulated by the Law of the USSR with a similar title.

The new law drastically changes the legal basis of the relations between the state and the civil society. The Law is based on the international principle of freedom of associations and confirms citizens' right for creating accociations without prior approval of government authorities. The Law clearly distinguishes the spheres of government activities and public initiative. To preclude uncontrolled waste of state property the Law prohibits establishment of any public foundations or movements by government bodies. The Law allows associations to choose the legal form for their existence. This is the only alternative for the so-called "democratic centralism". The Law contains a number of variations provided by the Civil Code - from public foundations to public initiative groups.

While the power structures are becoming more centralized and state control over the public life is being strengthened, the appearance of a law, elaborated on the initiative of public associations and supporting the civil society structures is remarkable event.

Experts expect that the new law will play the role of a democratice obstacle in the way of advancing "party of power".

Authors of most Russian laws remain unknown to the public. The authors of the Law of the Russian Federation "On Public Associations" break this tradition and will present it on June 2, 1995 at 12 pm at the premises of the International Press Center and Club "Moskva" (2, Berezhkovskaya Naberezhnaya, Radisson Slavyanskaya Hotel).

Nina Belyaeva, President of the International Non-Government Foundation for Political and Legal Studies "Interlegal" and a Working Group Coordinator;

Georgi Satarov, Assistant to the President of the Russian Federation;

Vladimir Lepekhin, State Duma Deputy, who has introduced the Law to the Duma, Deputy President of the Duma Committee for Public Associations and Religious Organizations.

The press conference will be followed by the cocktail party.
Please contact Interlegal Foundation at 138-4408.

* Washington Post, August 30, 1995

Businesses Object to Charities' Lucrative New Ventu

By Tracy Thompson
Washington Post Staff Writer

On Thursdays, the line of customers fills the driveway and spills onto South Dakota Avenue NE.

They've come to the biggest used-car lot in the District, a weekly auction run not by a huge, private company, not by a family operation, but by a charity. In the last 10 years, Davis Memorial Goodwill Industries quietly has built its used-car donation program into the District's largest used-car business.

The enterprise, like others undertaken by as- charities throughout the region, builds good works into revenue flow—a process that can make nonprofits more self-sustaining in tight financial times.

But it also sets them at odds with some for-profit businesses that argue that a charity's tax-exempt status and do-good aura give it an unfair advantage in the marketplace.

And it creates ripples of worry among some charity boards—including Davis Memorial's—that fret about straying from their mission.

From selling fresh produce to promoting wines to delivering caviar to arranging event management, regional charities have launched some very pin-striped fund-raising.

The switch is more than clever—it's vital, contends Bill Shore, president of Shar Strength (SOS), a Washington-based grou coordinates national events to fight hunger

Traditional fund-raising, such as direc solicitations or asking a corporate sponsor derwrite an event, is "like trying to get a s truck up a hill by getting passersby to push

What nonprofits should do, Shore said, is radical: "Create an engine."

Some nonprofit groups in the Washington already have built their own engines, incl the nearly two-year-old Businesshares pro sponsored by Greater D.C. Cares, a nonp

See CHARITIES, A14, Col. 1

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For-Profit Competitors Question Charities' Entrepreneurial Spirit

CHARITIES, From A1

service corps of about 7,000 volunteers who do everything from painting houses to tutoring homeless children.

Over the hushed clink of silver against china one recent morning at the City Club, Thomas Wheeler made a pitch to the business elite on behalf of the breakfast's sponsor, Greater D.C. Cares.

Wheeler, the president of the Cellular Telecommunications Industry Association, was not there to plead for time or donations. He was there as a satisfied customer endorsing the charity's latest service: event management.

For a $5,000 fee—every dime tax-deductible—companies or groups like Wheeler's can hire D.C. Cares to organize an activity that gives employees a chance to volunteer in a community-works project. D.C. Cares will find the project, bus the volunteers, hand out hammers and nails, supervise the job.

Thirteen companies, including Wheeler's group, have signed on so far, bringing D.C. Cares $65,000, about 8.5 percent of the organization's $757,000 annual budget. "We started out doing some things ourselves, rather ham-handedly," Wheeler said of past volunteer drives. "Greater D.C. Cares brings a sort of professionalism." Since its recruitment breakfast, six more companies have expressed interest in the program, said Greater D.C. Cares spokeswoman Cynthia Fox.

Among the latest ventures of Share Our Strength are licensing agreements with the maker of Fetzer Vineyards wine and with Ernest & Julio Gallo Winery. The wine companies use the SOS logo on their bottles and get an inside track on consumers who want to support efforts to fight hunger; SOS gets $10 for every case of wine the companies sell. Another venture is a cookbook featuring recipes from famous chefs who participate in Taste of the Nation, an annual fund-raising event co-sponsored by American Express. All book royalties will go to SOS.

Food is also at the heart of From the Ground Up, a new co-op run by the Capital Area Community Food Bank. The co-op farms three tracts of land in Prince George's County and expects to yield about 50,000 pounds of produce this year, more than half of which will be sold at stands in low-income parts of the District, said program director Leigh Hauter. The rest goes to co-op members, generally individuals or small groups who pay $195 a share for weekly deliveries of fresh produce. The co-op started last year with 20 shareholders and now has 125.

D.C. Central Kitchen, a feeding and job training program for the homeless, recently signed a contract with Petrossian Paris Inc., a French gourmet food exporter, to deliver caviar for a fee to Petrossian's clients in the District. The Kitchen repackages excess food from restaurants and hotels into meals for the homeless and trains them for jobs in the food service industry. Some of its caviar delivery customers will be the same restaurants that now donate excess food.

Specialists in the nonprofit field say such innovations are the wave of the future.

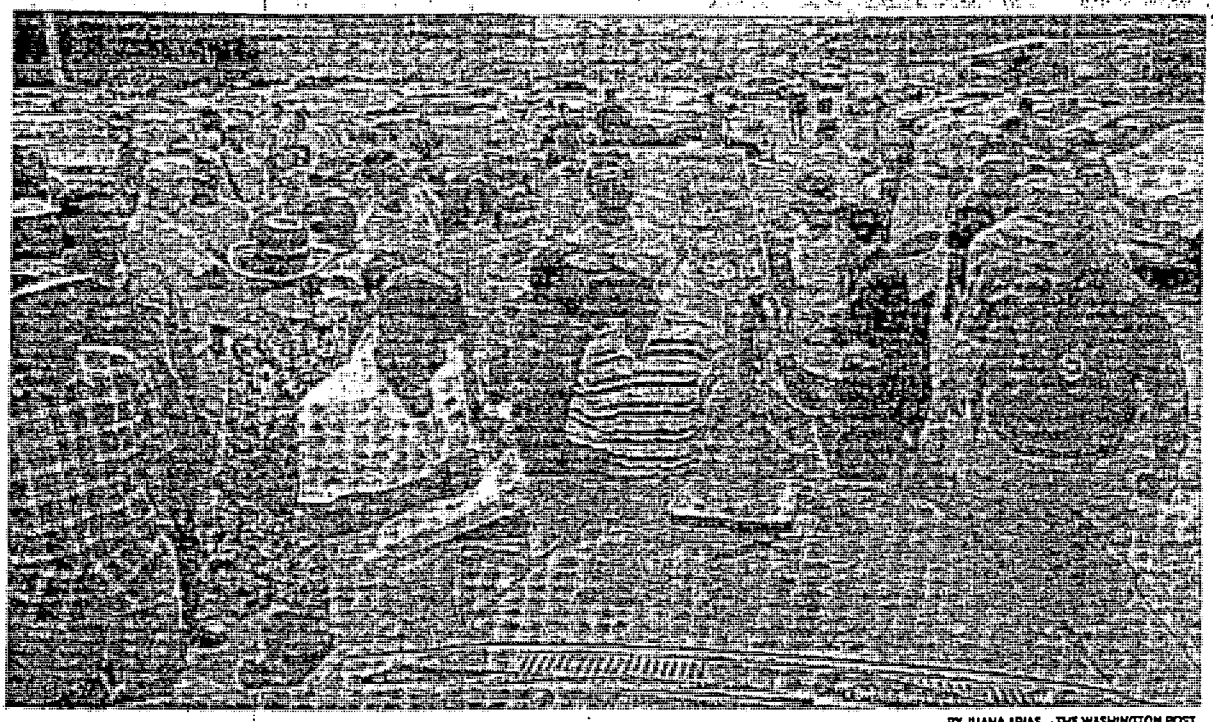
"If government decides it's going to reduce support to nonprofits, and yet still wants them to deliver [social services], then nonprofits have no alternative but to commercialize," said Craig Smith, president of Corporate Citizen, a Seattle-based think tank that explores the social role of international corporations. "No nonprofit executive now can afford not to have business skills."

Or, as D.C. Central Kitchen's Robert Egger puts it, "good intentions are fine, but let's do this smart." Egger speaks glowingly of the possibilities he sees—marketing a D.C. Central Kitchen-brand peanut butter, maybe. "I love making pitches," he said. "And I want to *employ* people."

But such talk does not please everyone, particularly not the business owners who compete with nonprofits for customers, but without the nonprofits' tax-exempt status and low-cost bulk mail rates. The unfair competition debate has largely centered on big moneymaking enterprises such as health clubs owned by nonprofit hospitals. But whether the enterprise in question is large or small, the principle is the same, said Kenton Pattie, executive director of the Business Coalition for Fair Competition.

Pattie's 11-year-old group, with headquarters in Reston, consists of two dozen trade associations lobbying against the trend toward entrepreneurial nonprofits. The trend, he said, hurts the genuine entrepreneurs—small-business owners, many of them women and minorities. Whenever a nonprofit starts a commercial enterprise, he said, "there's somebody else out there who's not going to be able to do that job."

Pattie said he is not antagonistic toward nonprofits, but the "make-a-buck attitude," he said, runs against "the purposes for which Congress gave them the tax exemption." If nonprofits are going to go commercial, he said, they should start a for-profit subsidiary that pays taxes and employees as any other private business does.



BY JUANA ARIAS—THE WASHINGTON POST

Goodwill Industries' weekly auction of donated cars has evolved into the District's largest used-car business.

Pattie regularly gets letters from small independent florists, for example, who say their businesses suffer because local nonprofits like the Boy Scouts and Lions Club now sell flowers for special events—Valentine's Day, Christmas, "almost every anniversary event in the spectrum," he said. Some florists, he said, report that nonprofits competing with them have even asked to use the florists' cooler space to store flowers.

"As a general rule, our coalition has looked kindly on groups that have a one-time-a-year sale," he said. "But when you patch together all the activities of nonprofits in a community, the cumulative effect of this for an ongoing business is damaging."

Under Internal Revenue Service rules, nonprofits pay taxes on commercial enterprises they own that are not "substantially related" to their core charitable mission. But drawing that line is by no means simple, and every year the IRS battles some nonprofit in court, said Mark Owens, director of the IRS exempt organizations division.

Currently, he said, his division has four cases pending nationwide against nonprofits that market "affinity credit cards," which customarily donate part of the charges made on the card to the group that promoted it. Another three cases are pending in U.S. Tax Court in the District against universities that have nonprofit status yet market goods and services that the IRS thinks are unrelated to their core educational mission.

But the number of court cases is tiny compared with the number of nonprofits. There are about 1.2 million tax-exempt organizations registered with the IRS, Owens said, but the IRS routinely audits fewer than 10,000 a year. It tends to target the bigger nonprofits first, Owens said, because of the potential tax loss their activities could represent.

The question of when a nonprofit becomes a business is one that Davis Memorial Goodwill Industries is struggling with internally. In addition to its auto auction, it runs a custodial services division that employs 300 people and maintains more than 2 million square feet of office space in the Washington area, and it operates 12 retail stores that brought in $6.1 million last year, according to its annual report. Altogether, Goodwill's combined retail programs brought in about $16.5 million last year, out of a $17 million budget.

With that kind of commercial success, are Goodwill's retail operations still a nonprofit enterprise? Executive Director Dave Becker said his group's board of directors is considering whether to restructure its revenue operations into a for-profit subsidiary. If that happens, he said, the subsidiary most likely would become a company that donates its profit to its favorite charity: Goodwill Industries, of course.

The question of how to structure business ventures is one that surviving nonprofits will inevitably face in an era of diminishing resources, Becker said, if they manage to stay in existence at all.

"Nonprofits are going to have to get an awful lot better at what the business world has known about for years—the generation of wealth," Becker said. "Everybody knows the handwriting is on the wall."

BEST AVAILABLE COPY

MARKETING

Marketing is a process that helps you exchange something of value for something you need.

Marketing helps set up exchange relationships, and in the nonprofit world there is quite a range of them. Nonprofits make exchanges with their program participants or audience, with funders, volunteers, friends, elected officials, the media, other nonprofits, businesses and corporations. In every successful exchange, the nonprofit offers something of value to others and receives something it needs in return.

The exchanges are mutually satisfying because both parties benefit; they each get something they value. However, exchanges like this don't happen--except by coincidence--unless someone takes the initiative.

When you have something of value and want to exchange it for something you need, it's up to you to initiate, cultivate, and nurture exchange relationships. In other words, it's time to get into marketing.

THE MARKETING PROCESS

There are five steps in the marketing process:

Step 1:	Set marketing goals
Step 2:	Position your organization
Step 3:	Conducting an analysis of current marketing efforts
Step 4:	Develop a marketing plan
Step 5:	Develop a promotion campaign

Marketing and strategic planning

Strategic planning sets the overall direction for an organization and names the major steps it will take to achieve its goals. The call for marketing is often an outgrowth of strategic planning--the need for more or better exchange relationships is recognized and addressed as a part of the plan.

Many groups new to marketing make a common mistake when it comes to program development. Something is created and then people turn to marketing to "sell it".

Instead, look at marketing as an integral part of your program planning and development efforts.

STEP 1: SET MARKETING GOALS

Marketing goals clarify what you want to achieve through marketing and how you will define success.

There are two categories of marketing goals:

* Action goals. You want marketing to produce specific, measurable results for your organization.

Action goals are concrete. They target the specific, measurable results you want for your organization and by when.

Sometimes your action goals are determined, at least in part, by others. When you receive a grant or win a contract, there are usually target numbers you are committed to produce.

* Image goals. You want to be better known or in some way change how you are seen.

It is likely you will set an image goal for your marketing effort if you meet at least one of these conditions:

1. You are a brand new non-profit.
2. Your organization is changing, growing, or adding new programs or services.
3. Your image is outdated.
4. You believe people don't understand how you can meet their needs.
5. You want to maximize your opportunities by being better known in the community.
6. You want to reinforce your reputation as it stands right now.
7. You want to differentiate yourself from others.

Progress on image goals can be difficult to measure. To evaluate success, watch overall response to your marketing plan; listen for comments and reactions from program participants, board members, funders, and staff; and conduct interviews with key individuals in the community.

STEP 2: POSITION YOUR ORGANIZATION

Positioning is finding and establishing the distinctive role you play in the community. It is based on your unique ability to

make an impact. You position your organization--and build a clear public image--through initial impressions, consistent messages, and delivering high quality programs and services over time.

When you have successfully positioned your organization, people recognize who you are and what you do. It makes sense to them. As you build recognition over time, you will naturally expand your realm of associations. As a result, the exchanges you seek--and unexpected opportunities--are more likely to come your way. Effective positioning is like arriving at higher ground. It opens whole new vistas for the future.

1. Check in with your mission.

The positioning statement you develop should be a direct expression of your mission or purpose.

2. Look at needs and how you might address them.

Meeting specific needs--both present and future--is the crux of your role in the community and the driving force behind positioning. Because circumstances and conditions aren't static, your organization's role will undergo changes over time.

3. You needn't address every need you identify.

Many experts say you will make the greatest impact if you are highly focused and concentrate your energies on being the absolute best at what you do. This does not mean you should dismiss growth opportunities or refrain from expanding your services. it does mean you should exercise caution before moving to enlarge your specific role.

4. Survey the competition to see how you fit in.

<u>Tips for establishing your specific role:</u>

1. Make sure your entire staff, board, and volunteers are aware of your positioning statement and understand what it means for the organization.

2. Continue to "test" your positioning statement with a broader circle of people in the community.

3. Make a consistent, public statement.

4. Maintain a presence and be active in professional networks, clubs, and associations in your field.

5. Become known to the media.

6. Take a stand. When issues arise that affect you or those you serve, consider getting right out front with your values and your voice. It's

often the right thing to do and you'll be noticed.

7. Deliver quality programs and services.

STEP 3: CONDUCT AN ANALYSIS OF YOUR CURRENT MARKETING EFFORTS

Several questions you might ask are:

Re: Product -- the goods or services that you offer

1. What is your product?

Your product is the something of value to be exchanged for something you need. To market your product, you have to be able to define it so the people you serve can clearly understand what it is and how it meets their needs. If people don't understand the product, find it difficult to use, or just plain don't like it, some adjustments will be needed as part of your marketing plan.

2. Is it of high quality and does it meet a specific need?

Re: Publics -- the groups of people with whom you wish to enter into an exchange (eg clients/beneficiaries, volunteers, participants, funders, public officials)

1. Who are your publics?

2. Do you have the "right" publics and know what benefits you provide?

Re: Price -- the charge for the goods or services. If the service is free, the price is time and trust. People must feel that the service is worth the time it takes to participate and you must be able to earn and keep their trust.

1. Is your price in line with economic conditions and expectations? Not too high, not too low?

Re: Place

1. Is your place appropriate? Are you accessible to your publics?

Re: Production

1. Is production satisfactory? Can you effectively meet demand?

The ability to meet demand may require adequate staff or volunteers, sufficient physical space, enough inventory in stock, well-maintained

vehicles that don't break down, good planning, and a smoothly functioning organization.

Re: Promotion

1. Do you use effective techniques that motivate people to respond?

Make a list of the techniques you have used and assess the effectiveness of each.

2. What do you want to add, drop, or improve?

STEP 4: DEVELOP A MARKETING PLAN

A marketing plan is the guide you intend to follow in order to achieve your goals.

STEP 5: DEVELOP A PROMOTION CAMPAIGN

In developing a promotion campaign, you'll need to clarify your organization's image, determine your message, decide what techniques you'll use, and then implement the plan.

Examples of promotional techniques:

- Advertising
- Billboards
- Celebrity Endorsements
- Direct Sales
- Feature Stories
- Networking
- News Releases
- Posters
- Publishing Articles & Reports
- Special Events
- Talk Shows
- Television Public Service Announcements
- Trade Fairs
- Word of Mouth
- Annual Reports
- Brochures
- Direct Mail
- Editorials
- Letters to the Editor
- News Conferences
- Newsletters
- Public Speaking
- Radio Public Service Announcements
- Specialty Advertising
- Telemarketing
- Videos

Developing a Strategy

6. Someone who knows the major institutions in the area, major employers, banks, corporations public buildings, etc.

Next, we outline the information to be filled in and the questions to be considered for each of the five columns of the chart, which is displayed on the next page. Planning and completing the chart in sufficient detail can take several hours.

There are five major strategy elements to consider. Each has a column to fill in on the chart.

1. Long-Term, Immediate, and Short-Term Goals
2. Organizational Considerations
3. Constituents, Allies, and Opponents
4. Targets (who can give you what you want)
5. Tactics

At first glance it appears that the chart is a series of lists. What we are unable to show on paper, but what becomes clear when you actually use the chart in planning, is that it is more like a computer spreadsheet. Whenever you change anything in one column, corresponding changes need to be made in the others. For example, adding another goal may require finding a different type of constituent group that would employ another tactic against a new target.

To help illustrate the use of the chart, we will cite, among other examples, a hypothetical campaign to win tax reform on the state level. Let's say that you are the organizer in charge of the campaign. Like many other states, yours has been hit by a major budget crunch. The governor, a middle-of-the-road Democrat, has announced that social services will have to be cut, aid to school districts must be cut, and many public employees laid off. He has also announced a package of regressive sales and excise tax increases. In addition to these, communities will be hit with higher property taxes to fund the schools unless they slash school budgets.

Your organization, the State Citizens Alliance, is a coalition. It includes many unions, senior citizen groups, environmentalists, community organizations, low-income organizations, women's organizations, and organizations of people of color. In addition, the organization has an individual membership of 46,000 people recruited by your professional door-to-door canvass. It has a fine track record, having won many statewide legislative battles.

Your organization supports increasing taxes, but you want it done in a progressive way, which puts the burden on the rich and the large corporations. You have obtained the assistance of a public interest organization to draft your own tax proposal—the Citizens' Fair Tax Plan—so your technical presentation will be as good as any the Governor can produce. You are now ready to plan how to get your proposal passed.

Midwest Academy Strategy Chart

After choosing your issue, fill in this chart as a guide
to developing strategy. Be specific. List all the possibilities.

Goals	Organizational Considerations	Constituents, Allies, and Opponents	Targets	Tactics
1. List the long-term objectives of your campaign. 2. State the intermediate goals for this issue campaign. What constitutes victory? *How will the campaign:* • Win concrete improvements in people's lives? • Give people a sense of their own power? • Alter the relations of power? 3. What short-term or partial victories can you win as steps toward your long-term goal?	1. List the resources that your organization brings to the campaign. Include: money, number of staff, facilities, reputation, canvass, etc. What is the budget, including in-kind contributions, for this campaign? 2. List the specific ways in which you want your organization to be stengthened by this campaign. Fill in numbers for each: • Expand leadership group. • Increase experience of existing leadership. • Build membership base. • Expand into new constituencies. • Raise more money. 3. List internal problems that have to be considered if the campaign is to succeed.	1. Who cares about this issue enough to join in or help the organization? • Whose problem is it? • What do they gain if they win? • What risks are they taking? • What power do they have over the target? • Into what groups are they organized? 2. Who are your opponents? • What will your victory cost them? • What will they do/spend to oppose you? • How strong are they?	1. Primary Targets A target is always a person. It is never an institution or elected body. • Who has the power to give you what you want? • What power do you have over them? 2. Secondary Targets • Who has power over the people with the power to give you what you want? • What power do you have over them?	1. For each target, list the tactics that each constituent group can best use to make its power felt. Tactics must be: • In context • Flexible and creative • Directed at a specific target • Make sense to the membership • Be backed up by a specific form of power. Tactics include: • Media events • Actions for information and demands • Public hearings • Strikes • Voter registration and voter education • Law suits • Accountability sessions • Elections • Negotiations

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Column 1: Goals

Long-Term Goals

These are the goals that you eventually hope to win and which the current campaign is a step toward. Using our example, your long-term goal might be to have the state budget well funded to provide the services that the people of the state require, and to obtain this funding through a progressive tax system based on the ability to pay.

The legislation you are now sponsoring won't accomplish all of that; it will only close the budget gap in the short run. Many regressive taxes will still be on the books and the schools will still have problems, but it is a good step.

Intermediate Goals

These are the goals that you hope to achieve in this campaign. In this case, it is the passage of the Citizens' Fair Tax Plan.

A housing group might state its goal as fair housing, and an environmental organization, to end toxic dumping. But these goals are so general that they only restate the problem. Another too-general campaign goal is "to educate people," because there is rarely a way to know when this has been accomplished. Intermediate goals must be specific, such as state mortgage guarantees for low-income home buyers or mandatory jail sentences for toxic dumpers.

Test the goals—are they specific steps toward your long-term goals? Do they meet the three major criteria for choosing an issue? Do they: 1) Win real improvements in people's lives? 2) Give people a sense of their own power? 3) Alter the relations of power? What does it mean to win? How will you know when you have?

Short-Term Goals

Short-term goals are steps toward your intermediate goals. They are necessary for two reasons. First, few groups are strong enough to win a major campaign without a period of building power. The support of individual officials must be won and often, power gathered at local levels of government. Second, just to sustain your organization in a long campaign, people must see small victories along the way.

Short-term goals for the Citizens' Fair Tax Plan campaign might be to obtain the endorsement of city council members or county commissioners around the state, and to move from there to asking members of the legislature to say that they agree in principle to the idea of progressive taxation before your bill comes out. Or, you might launch a campaign for 25 co-sponsors from carefully targeted districts.

For a local community organization working on a neighborhood issue, the short-term goal might be just to get a meeting with the city council member. When people see that the organization can do that much, they will be ready for the next step, perhaps a meeting with the mayor. (If someone gets up at your first meeting and says, "Oh the mayor is a friend of mine, I can get you a meeting any time," don't accept. The point is that the group must feel that it collectively won the meeting because of its strength. If the meeting comes about because of one person's personal relationship, the stature of that individual is built up, but the group isn't strengthened.)

Sometimes, before you can even decide on the intermediate goals, more information about a problem is needed. Then, short-term goals might consist of making an agency either compile or release information. For example: a senior citizen organization, concerned about crime

Sample Goals Column

1. Long-Term Goals

- State budget well funded by a progressive tax system.
- Full funding of schools by the state.
- Make this a major issue in the next gubernatorial primary

2. Intermediate Goals

- Pass the Citizens' Fair Tax Plan.
- Make this a major issue in the 5th, 7th & 14th districts to expose anti-Fair Tax records of incumbents for future races.

3. Short-Term Goals

- Public support from local officials.
- Line up influential sponsors in House and Senate by April.
- 25 co-sponsors by June 1.

Sample Organizational Considerations Column

1. Resources to Put In

- Salaries and expenses for six months = $45,000. On hand = $10,000. To raise = $35,000.
- Staff

Mary—Lead Organizer	Full time
Fred—Organizer	Half time
Sam—Support Staff	1 day a week
Liz—College Intern	1 day a week
Kate—Supervisor	4 hrs. a week

(Cash value of staff time = $40,000)

- Canvass offices (3). Approx. 15 canvassers hitting 9,000 doors a month for three months (cash value if people were hired to do this = $95,000).
- 7 board members on the tax committee. Each represents an affiliate organization.
- Committee chair. Very active. Good spokesperson.
- Lobbyist from allied union.
- Tax expert contributed to us by Citizens for Tax Neatness.
- Office space and phones for all staff (cash value = $700).
- 1 Xerox that works. 1 that sort of works. 2 computers. (cash value for use = $200)
- Good relations with press. Abner Berry at the *Sentinel* and Al Ferman at the *Herald*.

2. What We Want to Get Out of It

- Make back all expenses ($45,000) through contributions from affiliates and campaign fundraising.
- 4 new affiliates. Most likely choices are Carver City Taxpayers Against Waste, Newton Teachers Local 310, Association of Child Service Providers, Gotham City Save Our Schools Committee.
- Build a base in the 5th, 7th, and 14th districts. Promote George, Frieda, and Holly as respective spokespersons.
- Develop 15 active volunteers.
- Develop ways to activate 15,000 canvass members in key districts.

3. Problems to Solve

- Rivalry between teachers' unions may erupt.
  —Meet with them. Ask them to keep turf fight out of it.
- Uptown Seniors don't like Downtown Seniors.
  —Hold separate meetings in each community.
- Fred says that Mary whistles through her nose all day, and he can't work in the same office with her.
  —Seek treatment for Fred since no one else ever hears Mary do this.

against seniors, had to make the police department keep crime statistics by age just to prove that the problem existed.

And sometimes, short-term goals will be electoral. A specific person must be removed or more forceful leadership elected.

While listing goals, consider what the cost to someone will be if you win it. Who will pay? What is it worth to someone to defeat you? Knowing this helps you to get a sense of how much money is likely to be spent on defeating you. It also gives you some better idea of who will end up as allies or opponents.

When you are finished listing your goals, have the group put them more or less in the order in which they will have to be achieved.

Column 2: Organizational Considerations

This column is essentially an organizational expense and income statement. You list what resources you have to put into the campaign (expenses), what organizational gains you want to come out of the campaign (income), and internal problems that have to be solved.

Start with resources. This is essentially your campaign budget. Consider these to be expenses or better yet, investments. Be very specific, particularly about staff time and money. List names. Make sure that the people working on your campaign are in the room when you talk about how much of their time is going into the

campaign. "Full time," for example, means that a person has no other responsibilities. Don't be one of those groups where the organizer works "full time" on each of five campaigns at once.

List the amount of money you are putting into the campaign and the amount that needs to be raised. Then put a fair market cash value on the in-kind contributions you are making, including staff time. Unless you do this, your allies, affiliates and members will never have any idea of the size of your real contribution, and neither will you.

In the second part of the column list everything that the organization wants to get out of the campaign, in addition to winning the issue. Consider this income and plan to make a profit, both in organizational gains and real dollars.

The last part of this column lists internal problems that will have to be considered or solved in the course of the campaign. Here, "internal" implies both within your organization (e.g., staff relationships) and problems within constituent or allied organizations.

Column 3: Constituents, Allies and Opponents

Constituents and Allies

This column is where you answer the questions, who cares about this issue, what do they stand to win or lose, what power do they have, and how are they organized? A constituency is a group of people, hopefully already organized, who you can contact and bring into the campaign. In filling out this column, be expansive, even far fetched. The idea is to come up with a long list of potential allies. During the campaign you may not get to all of them, but you can come back to the list later if events bog down and you need additional support.

When you start drawing up the list for the Citizens' Fair Tax Plan campaign, the first groups that come to mind are public employee organizations that face layoffs and taxpayer organizations. Some taxpayer groups will be very right-wing, but some could join you. Clearly, organizations that get services or funding from the state will also be interested; examples include seniors and day care providers.

Sample Constituents, Allies, and Opponents Column

1. Constituents and Allies

- State Teachers Union: 7,000 members
  Local 210 Gotham City
  Local 113 Newton
  Local 69 Butler
  Local 666 Spuyten Duyvil
- State Teachers Association: 12,000 members
  List locals
- State Public Employees Union: 14,000 members
  List locals
- State Labor Federation: 40,000 members
  List active local and labor councils.
- Association of Day Care Centers: 1,200 members
- State Senior Council: 3,000 members
  Clubs in
  Parker (5th District)
  Gotham
  Newton (7th District)
  Salem
  Winchester (14th District)
  Westchester
- Council of Home Health Care Providers
- Newton Council of Civic Associations
- State Alliance of PTAs
- Taxpayers Union: 2,000 members

2. Opponents

- Chamber of Commerce
- Bankers Association
- Insurance Industry Council
- Johnson Corp.
- Rep. Bird (14th District)
- Taxpayers Association of Hatemail
- etc., etc.

The problem is that in the face of a general sentiment in the state that favors budget cuts over tax hikes of any kind, this list is too short. Additional allies will be homeowners and parents, but to bring them in, the goals of the campaign will have to be expanded to include

property tax relief and school funding. (This is an example of how the chart is like a computer spreadsheet. When you change one column, you will have to change others.) The next question is how are home owners and parents organized? The canvassers can reach some of them, and others will contact you after the media start to carry the story, but look for existing groups.

Even if you are organizing for an individual membership organization rather than a coalition, it is still useful to think of people as part of groups. For example, say that you are working on a public transportation issue and decide that senior citizens are a possible constituency. You could list seniors on the chart, or you could be more specific and say, "Seniors who ride the #1 and #2 buses." It would be much better, however, to look in the Yellow Pages to see what senior centers are served by those lines. Don't overlook churches that might have senior clubs. Mark them on a map. Put them on the chart by name. Go and visit them.

Then, look for constituencies that are less than obvious. On the tax issue, realtors or real estate associations might join with you because value is added to the houses they sell if taxes are lower and there is a good school system.

Think of each constituent group as the hub of a wheel. Then look at the spokes. Who cares about these people? Who does business with them? Who provides services to them? Who lends them money? Who borrows their money (banks, insurance companies)? For whom do they vote? If they had more money to spend, where would they spend it? Who would get it (local merchants or Swiss banks)? What organizations or churches do they belong to? Looking at your possible constituents in this way, it is easy to see that the self-interest of one group affects the self-interest of many others.

While it is necessary to think about potential areas of conflict between the groups, remember that people don't all have to love each other, agree on tactics, or even sit in the same room in order to support the same issue. In fact, sometimes the issue brings them together. This was the case in the classic campaign against the Chicago Crosstown Expressway. The proposed expressway route ran through different ethnic communities. One White group came with signs saying, "Black roads, white lines united against the Crosstown."

Break down your list according to whether the constituency is organized or unorganized. That is, homeowners in the Lincoln Park area, as opposed to homeowner associations in the Lincoln Park area. Then rank each group according to the power they bring to the campaign. Consider the following:

- How many of them are there? / How many members do they have?
- Did they work or vote for the incumbent office holder?
- Do they make campaign contributions?
- Will they give money to your campaign?
- Do they bring special credibility? (Clergy)
- Do they have special appeal? (Children)
- Are they part of a larger organized network? (Veterans)
- Do they have a reputation for being tough? (Unions)
- Do they have special skills? (Lawyers)
- Are they considered particularly newsworthy? (Penguins)

Last, examine the weakness of each constituency. Look at their reputation, past history, and the enemies that you might inherit by linking up with them.

Opponents

List all the groups, individuals and institutions that stand to lose or be very upset if you win. What will your victory cost them? Try to evaluate how actively each will oppose you, and what they will do or spend to defeat you. In a few cases you may find ways to neutralize them, but even if there is nothing you can do, it is best to have some idea of what to expect as the campaign unfolds. List the power of each opponent. How does the strength of your constituents stack up against the strength of your opponents in the eyes of the people who can give you what you want?

Column 4: Targets

Primary Targets

The person with the power to give you what you want is often referred to as the "target" of the campaign. This does not necessarily imply that the person is evil. It simply means that by

virtue of having the power to give you what you want, that person is the focus of the campaign.

The target is always a person. "Personalize the target" is a fundamental rule of organizing. Even if the power to give you what you want is actually held by an institution such as a city council, a board of directors, the legislature, the police department, or the Environmental Protection Agency, personalize it. Find out the name of the person who can make the decision, or at least strongly influence it. Make that person the target. Not only does this help to narrow the focus of the campaign, but it makes your members feel that winning is possible. A campaign to change a person's mind is much more believable than one to change the policy of a big institution. In addition, individual decision makers have human responses such as fairness, guilt, fear, ambition, vanity or loyalty. These do not exist in institutions or formal bodies as a whole. Such responses can only come into play if you personalize the target.

When filling out this column, list all the possible people who can give you what you want. It helps if there is more than one of them because where power is divided, there are usually more weak spots and openings. Also, multiple targets provide an opportunity to sustain the campaign over a longer time. This allows you to build strength. In many types of campaigns, time is on your side if you can hold out. This is particularly true if you are trying to stop expensive things from being built, or large sums of money from being spent. A long campaign may also help you to keep the issue alive until an election intervenes or a court decision comes down. List the reasons that each target has to oppose you as well as to agree with you. List your power over each target. Go back to the constituency list and consider how to match the power of each constituency against the vulnerabilities of the target.

Secondary Targets

A secondary target is a person who has more power over the primary target than you do. But, you have more power over this person than you have over the primary target.

Tenants in public housing who wanted their buildings painted provide an example. The tenants made several members of the city housing authority their primary targets. When the tenants discovered that old lead paint was peeling off the walls, they made the head of the health department a secondary target. She didn't care about the tenants' dispute with the housing authority, but lead was a health hazard that had to be corrected. She told the housing authority that the walls had to be scraped and repainted.

When you list secondary targets, write down what power you have over them, and what power they have over the primary target.

In the Fair Tax campaign, the targets are determined by an analysis of the legislature. Clearly the governor will be a target, as will the heads of key committees. Once the legislation is introduced, and a head count taken of committee members and the legislature as a whole, specific districts can be targeted as well. Secondary targets for this campaign might include officials such as county chairs of the Democratic and Republican parties, lower-level elected officials, and campaign contributors.

Don't feel obliged to have a secondary target if you have power over the primary one.

Sample Targets Column

1. Primary Targets

- Governor Winthrop
- House Tax Committee Chair
  Rep. Bacon (5th District)
- Senate Committee Chair
  Rep. Lax
- Committee members, to be determined
- Other legislators, to be determined

2. Secondary Targets

- G. Groggy—Union County Dem. Chairman—includes 14th Dist.
- R. Waterdown—Kent County Dem. Chairman—includes 7th Dist.
- Selected campaign contributors to individuals listed above
- County Commissioners in the counties containing target districts.

Column 5: Tactics

Tactics are steps in carrying out your overall plan. They are the specific things that the people in column 3 can do to the people in column 4 to

Sample Tactics Column

(listed more or less in the order in which they might actually be used)

- Media hits. Feature unjust tax distribution between homeowners and EXXON refinery.
- More media hits. Spotlight education cuts. Kids come with symbols of cut programs, e.g., sports equipment, musical instruments.
  Do same day in four cities with teacher organizations and PTAs.
- Start postcard campaign for fair taxes. "Dear Gov. When my income goes over $100,000, I will happily pay higher taxes if you enact them now."
- Media hit in capital to release detailed Fair Tax Plan. Sponsors and co-sponsors on hand.
- Canvassers start petition drive in targeted districts.
- Media hits in targeted districts to announce formation of district Fair Tax committees to put legislature on the spot. Show petitions.
- Delegation meetings to get position of targeted legislators.
- Local hearings. Either sponsors hold them officially or we hold them. Aim for high turnout.
- Additional delegation meetings in target districts. Service providers, seniors, clients of programs are included.
- Save our schools. Rallies and picnics. Fund raiser.
- TV debate between our leader and legislative opponents.
- Tax bill burning day when tax bills are sent out.
- Accountability sessions in targeted districts, particularly the 5th, 7th, and 14th districts.
- Mass lobby day in capital when bill comes up for vote. Governor invited to speak for the bill. Empty chair if he doesn't. Invite potential opponents.

put pressure on them. When you list tactics, put down who will do what, and to whom. Tactics should be fun. They should be within the experience of your members, but outside the experience of your targets.

Every tactic has an element of power behind it. None should be purely symbolic. Different tactics require different levels of organizational strength and sophistication to use. For that reason, some work better at the beginning of a campaign and some can only be used later after a certain level of strength is reached.

Notes on Tactics

Media Events

Media events are designed to get press and TV coverage, and little more. As stand-alone events, they are usually used at the start of the campaign to dramatize the issue and announce that the organization is working on it. Later in the campaign, the media will be used in conjunction with other tactics. A media event might consist of releasing information or a study, demanding information, having victims tell their story, or making demands on the target. For the Fair Tax Campaign, an opening media event might be held in front of property owned by a large corporation. The percentage of income paid in taxes by the corporation could be contrasted to that paid by nearby homeowners who would bring big enlargements of their tax bills to display to the press.

The press usually responds well to something funny or dramatic. A Citizen Action organization, for example, wanted to dramatize that the rising cost of auto insurance was forcing people to choose between paying for their homes or their cars. The group built a home into a car with the toilet in the trunk. The press loved it.

If the media event features groups such as low-income people, the homeless, the unemployed, or striking workers, be sure that they are presented with dignity and as whole people asking for the same rights that others enjoy. They are not objects of pity; nor are they looking for a handout.

Actions

Actions are a particularly useful tactic for local organizations, especially toward the start

of a campaign. In an action, a group of people confront a target and make specific demands. They expect to get an answer on the spot. Organizations usually start with procedural demands such as asking for an appointment with someone or that a hearing be held. They also might ask for the release of information, the publication of rules, or time on the agenda. Later when the group is stronger, actions might be used to win some of its main demands.

Actions often involve the media, but they are not media events. That is to say, they have power behind them which goes beyond media coverage, and they are not simply held in an attempt to publicize a situation. The organization's real power may be the number of participants or the size of the constituency they represent, their ability to embarrass the target, or their ability to cause the target political harm if the target is a public official, or financial harm if it is a business.

Public Hearings

You might demand that the target hold an official public hearing, but often organizations have their own hearings with a panel of community leaders and allied political leaders who listen to testimony from your constituency. Often a report is issued. The hearing serves to educate, get publicity, and establish your organization as a leading force on the issue.

Accountability Sessions

Accountability sessions are large meetings with elected officials. They are sponsored by you and held on your turf. Several hundred people come to tell the official what they want done. The official is asked to agree to the demands on the spot.

Elections

Depending on what type of organization you are, you may actually endorse candidates. Even if you don't, October is a good time to negotiate with an incumbent candidate if the election is to be held in November, because the candidate is more vulnerable then.

Negotiations

Issue campaigns usually end in some form of negotiation. You must have shown considerable power to get the other side to agree to talk. If your target offers to negotiate too easily or too soon, watch out! It may be a device to make the other side look reasonable without any serious concessions being made. (But don't automatically assume that every offer is some kind of trick. There are groups that snatch defeat out of the jaws of victory because they can never believe that they actually won.)

The next chapter explores some of these and other tactics in greater detail.

Using the Chart

The strategy chart can be used to plan organizational development as well as issue campaigns. The starting point in the chart is determined by the type of planning you are doing. For example, to plan an issue campaign, start from left to right. To plan the startup of a new organization, say a new senior citizen group, begin at the lower half of the Organizational Considerations column and work out what the organizing model will be. For example, is it an organization of senior clubs? Then skip to the Constituents column and list all the existing clubs that could potentially join the coalition. Next, go back to the Goals column and decide what issues would appeal to the largest number of clubs. From there go to the Targets and then to the Tactics columns.

One reason that the chart works in so many ways is that an organization is literally the product of what it does. Once you are clear on what you want it to be, you can work backwards toward doing something that will shape the group in the desired direction. An example of a strategy chart that shows all five of the columns presented earlier appears at the end of this chapter.

Time Lines

To finish off the planning process, make time lines for the campaign. Include all the major campaign events and deadlines for preparing the publicity for each. Be sure to include the key dates in the electoral process. Even if you are not involved with candidates, note such information as when voter registration starts and ends, when nominating petitions start

circulating, when petitions must be filed for major party candidates and independents, when candidate fundraising reports must be filed (you may want to look at them) and of course, all election dates. Also note when appropriate legislative bodies are in session, when members of congress and the legislature are home for recess, and when major civil, religious and school holidays occur.

Members of New Jersey Citizen Action, a statewide coalition, pressing for passage of the Right to Know bill.

Organizing for Social Changes
Developing a Strategy
by Kim Bobo, Jackie Kendall, Steve Max

(The copy was provided by National Democratic Institute (NDI) -Moscow)

NGO MANAGEMENT
TRAINING NEEDS ANALYSIS QUESTIONNAIRE

As part of the NGO Management Training that is being offered as a follow-on to your earlier training in the United States, it is necessary to conduct a needs analysis to determine on which areas of your job the training should focus. The follow-on training is particularly aimed at assisting you in clarifying materials and lessons acquired during your US training and assisting you to adapt and apply those lessons to the real situations and challenges of managing an NGO in Russia today.

The purpose of this questionnaire is to gather information about the responsibilities of your job, the responsibilities which you will be able to perform better when you have some more knowledge or skills for them, and the particular problems you are facing as a manager of your organization right now.

We are not interested in individual answers to the questions so you are not required to identify yourself on the form. After we have collated all your responses on special forms this one will be destroyed. Please take 30-45 minutes to respond to the questionnaire now and then return it to the collator in the envelope provided by no later than 1 May 1995.

Before filling in the questionnaire

In the questionnaire we are going to ask you about the responsibilities of your job at the moment. Before answering the questions in the questionnaire, we would like you think about your job now. Please take a sheet of paper to make notes for yourself.

1. Write down the five responsibilities of your present job that are the most important to the successful management of your NGO. Phrase the job responsibilities in terms of skills "to be able to".

2. Think of your job and imagine what it will look like within a period of time of three years: will it be different? Write down any additional responsibilities you will have at that time.

3. Think about which of these responsibilities you will be able to perform better if you have more knowledge or skills in that area. These are your training needs.

4. Think finally about situations or issues that are the greatest problem or challenge for you to overcome in managing your organization today.

Filling in part A. of the questionnaire: the responsibilities of the job

5. Look at the questionnaire. Find the job responsibilities in the first column that match the ones you have noted down. Please put a tick in the box to the right of the first column for each responsibility that matches those in your notes. If you can not find any or all of the responsibilities you have noted, please write the additional responsibilities in the blank boxes at the end of the form.

6. Now put a tick in the second box to the right of those responsibilities which you think you will be able to perform better if you have more knowledge or skills in that area.

Filling in part B. of the questionnaire: the challenges you face today

7. Write a paragraph of three to five sentences about the greatest problem or challenge to overcome in order to be able to more successfully manage your NGO. Please describe the situation or barrier. How is it effecting your NGO or the performance of your job? What difficulty or problem are you having in responding to this situation or barrier?

Part A	JOB RESPONSIBILITIES	Your Job	Your Need
1.	To be able to identify and recruit Board members		
2.	To be able to provide the information and reports required by Board members		
3.	To be able to inform and involve members or users of the NGO's services in program design and implementation		
4.	To be able to create a long term statement of purpose for the NGO and a set of strategies for achieving that purpose		
5.	To be able to represent that purpose statement to the outside world		
6.	To be able to translate the strategies into a set of measurable program objectives		
7.	To be able to write a plan or report		
8.	To be able to budget programs and plans and monitor implementation		
9.	To be able to report regularly on expenditures and changes in planned budgets		
10.	To be able to review one's own workload, define the priorities and work accordingly		
11.	To be able to keep informed on subjects by establishing relationships and mechanisms to gather information		
12.	To be able to monitor and spot check that procedures and policies are adhered to		
13.	To be able to work with staff to design simple work flow processes		
14.	To be able to brainstorm, generate ideas and find practical solutions on a given problem		
15.	To be able to set goals for employee performance of his/her responsibilities and evaluate the performance regularly		
16.	To be able to provide personal development support to staff by reflecting on their functioning in a non-threatening way		
17.	To be able to create a working atmosphere where people are supported in developing skills, feel challenged to do their work well, and feel committed to do the work		
18.	To be able to develop a staffing plan including anticipated transfer- or promotion possibilities for staff within the NGO		
19.	To be able to get to a decision, respecting all interests and making it acceptable to all parties concerned		
20.	To be able to conduct a meeting in a structured, well organized and participatory way		

STRATEGIC PLANNING

is the process of determining further organizational goals and developing necessary programs and resources to achieve these goals.

STRATEGIC PLAN

Analysis of stakeholder
|
Vision
|
Common goals
|
Strategic goals
|
Plan of action

PRINCIPLES

1) **Dynamics**

2) **Openness of the system**

3) **Reason-and-consequence logic**

4) **Orientation at active participation of members and clients' needs**

5) **Possibility of monitoring results**

6) **Orientation at the future**

VISION

The vision of an organization, team or group is a desired reality or future, which the organization is aiming at.

Declaration of vision

* describes "future reality"

* expresses the main values of the organization (not necessarily all of them)

* defines necessary changes
* involves, not expels people and opportunities
* reflects reality, but is not expected in the nearest future
* concise and clearcut
* original
* inspiring

GOALS

The goals of an organization, team or group reflect the reason for organization's existence

Declaration of these goals:

* describes the main responsibilities of the organization
* describes the ways of promoting the vision and expected results
* describes whose and which needs the organization is trying to satisfy
* is understood by the staff
* represents a scheme for problem solving and strategical context
* is original enough to inspire people for long-term duties

VISION

The vision of the PLAN is a world, where every child lives in societies where human rights and dignity are respected.

GOALS

The PLAN is to improve the living standards of children, deprived of normal living conditions in developing countries; it is a process which unites people of different cultures and makes their lives meaningful and valuable:

* the PLAN gives children, their families and communities an opportunity to satisfy their basic needs, stimulates their participation in social life and increases chances for receiving benefits from the society
* the PLAN strengthens relations which increase mutual understanding and unity of people of different cultures and countries
* the PLAN protects the rights and interests of the children of the world.

MOVEMENT TO A HIGHER QUALITY

The International PLAN is aimed at achieving the highest standards in satisfying human needs by creation and maintaining an environment of good management, which in its turn includes the process of permanent improvement and systematic support at all organizational levels.

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(The copy was provided by National Democratic Institute (NDI) -Moscow)

Strategy Chart

Goals

Organizational Considerations

Constituents, Allies, and Opponents

Targets

Tactics

Notes on Tactics

Using the Chart

Timelines

Sample Strategy Chart

The strategy chart is an extremely us tool for campaign planning. It lends itsel to overall campaign strategy and to the pl of specific events such as a public hearin accountability session with an elected off The chart is valuable as the focal point of group planning process because it poses t necessary questions in a logical order and people through the planning process step step.

In your campaign planning meetings, should always display the chart prominen a blackboard or large sheet of paper in the of the room. Have the following resources hand to complement the chart:

1. A large map of the area, city or state i the campaign will take place. There ar often critical relationships among issu groups, neighborhoods, geography, an political districts that can only become apparent when you look at a map.
2. Overlays for the map to show political (or use separate district maps).
3. Election returns for relevant races for t several years. Knowing voting patterns totals in primaries and general election important to understanding the strength allies and opponents, even if your organization is not involved in electora work.
4. The Yellow Pages to identify potential constituent and opponent organizations
5. A list of your own board members and, are a coalition, your affiliates by addres

21.	To be able to handle a conflict in such a way that it is dealt with finally and doesn't arise again, while maintaining the working relationship		
22.	To be able to review financial reports for accuracy and completeness		
23.	To be able to secure necessary funding from diversity of sources		
24.	To be able to develop and write a grant funding proposal		
25.	To be able to produce and resource a long-term plan for the NGO to become sufficiently self-supporting to be able to continue operations if external funding is cut back		
26.	To be able to monitor if the NGO is in full compliance with reporting, tax and labor requirements		
27.	To be able to recruit and utilize the volunteers the NGO needs		
28.	To be able to establish and maintain good relationships with NGOs, government agencies and other partners		
29.	To be able to establish and maintain databases		
30.	To be able to identify and meet donor agency expectations		
31.	To be able to develop a public service announcement and press release on the NGO and its achievements		
32.	To be able to design and implement a lobbying strategy		
33.	To be able to identify and enlist private sector support for the NGO		
34.			
35.			
36.			
37.			
38.			
39.			
40.			

Part B. The challenge you face today

Board Evaluation

Rating Schedule	Excellent	Good	Fair	Poor	Unnecessary	No Opinion
Legal Framework						
1 Statements in the by-laws setting forth the functions and duties of the Board are:						
2 Statements in the by-laws outlining the role and responsibilities of individual members of the Board are:						
Structure of the Board						
1 The size of the Board in relation to NGO needs is:						
2 The spread and balance of the Board as regards diversity, interests, skills, and points of view are:						
3 The usual method of selection of new Board members is:						
4 Retirement provisions for Board members are:						
5 The committee structure of the Board is:						
omprehension of the Board						
1 Understanding by Board members of the purposes and objectives of NGO is:						
2 Comprehension by Board members of the Board's role is:						
3 Comprehension by Board members of their responsibilities is:						
4 Understanding by Board members of the legal requirements and stipulations under which they act as a Board is:						
5 The Board's recognition that mere compliance with the law does not assure good management is:						
6 The Board's knowledge of and familiarity with the structure of NGO are:						
7 The Board's perception and understanding of key factors in the success of NGO are:						
8 The Board's comprehension of the interests of the several constituencies (e.g. Member Agencies, clients, funders) with which NGO deals is:						
9 The supply of information regarding external developments legal, economic, sociological, statutory, etc. that may affect Board decisions which is furnished Board members is:						
10 Board members' degree of interest in and knowledge of: immigration and refugee affairs is:						
Media is:						
Public education is:						
Human rights is:						
International affairs is:						
Accounting is:						
Finance is:						
Marketing is:						
Administration is:						
Fundraising is:						

Rating Schedule	Excellent	Good	Fair	Poor	Unnecessary	No Opinion
3 The performance of the Board in achieving objectives: Set one year ago is:						
Set three years ago is:						
4 Ability of the Board to measure the progress of the CEO toward achieving institutional objectives is:						
5 Ability of the Board to acquire external, objective opinions regarding NGO progress is:						
6 Cooperation among Board members and ability of the Board to act as a team are:						
Committees 1 By-law provisions or resolutions of the Board stating functions, duties, and limits of authority of committees are: Executive Committee:						
Audit and Investment Committee:						
Nominating Committee:						
Fundraising Committee:						
2 Form of committee reporting to the whole Board is:						
Board Meetings 1 Format of the agenda for Board meetings is:						
2 Extent to which Board members do their "homework" and are prepared for meetings is:						
3 Quality of discussion at meetings is:						
4 The division of time at meetings between routine matters and long-range planning is:						
Relations with Mangement 1 Understanding of the areas reserved for Board decisions is:						
2 The Board's working relations with NGO staff are:						

Rating Schedule	Excellent	Good	Fair	Poor	Unnecessary	No Opinion
11 The Board's comprehension of the present positon of the institution in the immigration and refugee field is:						
12 Ability of the Board to sense the role of the institution five years in the future in view of current social, economic, and political developments is:						
13 Familiarity of Board members with provisions in the by-laws or insurance protecting or indemnifying them in the event that suits are brought against them personally is:						
Practices of the Board						
1 The frequency of Board meetings in relation to organizational needs is:						
2 Attendance of Board members at meetings is:						
3 The pre-meeting package of informational material forwarded to the Board in preparation for meetings is:						
4 Financial and other reports presented to the Board, appraised in terms of: Intelligibility, are:						
Completeness, are:						
Conformity to the needs of the Board, are:						
5 Record-keeping of Board meetings is:						
6 Conformity of Board records with legal requirements is:						
7 The method by which the Board receives the report of outside auditors, including the opportunity to discuss the report with the auditors, is:						
8 The Board's practices as regards: Amendments of by-laws are:						
Election of officers are:						
Establishment of committees and their mandates are:						
9 Methods by which the Board periodically establishes short- or long-run goals for the institution are:						
10 Procedures used by the Board in educating and orienting new members are:						
11 The use of key staff in making presentations to the Board is:						
12 Statements in the by-laws and resolutions of the Board governing the conduct of individual Board members in respect to attendance at meetings, conflicts of interest, term of service and retirement, use of confidential information, annual disclosure to other Board members of changes in occupation or professional and financial connections are:						
Performance of the Board 1 Performance of the Board in formulating short- and long-run goals for the institution is:						
2 The Board's ability to monitor its own accomplishments and progress is:						

Board Member's Biographical Information

PHOTO

(Original)

YEAR YOU JOINED
NGO'S BOARD:

_____

NAME _____

SPOUSE _____
(If Applicable)

ADDRESS 1 _____

_____

PHONE 1 _____

FAX 1 _____

ADDRESS 2 _____

_____

PHONE 2 _____

FAX 2 _____

EDUCATIONAL BACKGROUND:

PROFESSIONAL BACKGROUND:

CURRENT PROFESSIONAL ACTIVITY:

OTHER NON-PROFIT/EDUCATIONAL POTENTIAL FUNDRAISING AFFILIATIONS:

OTHER INTERESTS:

WHAT LEAD YOU TO JOIN THE NGO BOARD?

World Learning

Section 9

World Learning General Materials

WORLD LEARNING

Private and Voluntary Organizations Intitiatives to the Newly Independent States (PVO/NIS)

GENERAL MATERIALS

World Learning, Moscow
13, Volkov Pereulok
4th Floor, Room 8
123242 Moscow
Tel./Fax (095) 255-9001
255-9724
956-5003
e-mail: wldlearn@glas.apc.org

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5. World Learning - Moscow Staff

6. Tentative Training Schedule - Institutional Strengthening Program

7. What is the Third Sector?

8. Principles of Partnership

9. World Learning's Subgrantee List

Petrozavodsk, Karelia, June-July, 1996

Dear Workshop Participant:

On behalf of World Learning, I want to welcome you to our The External Environment and Board Development workshop. I hope you find the workshop and the enclosed materials interesting and appropriate to your organization's needs as you work for the benefit of your communities. In addition to experienced workshop leadership, another critical element in the success of this training experience is the active participation and shared wisdom of the participants themselves. I thank you for your willingness to enhance our program by your participation and for your commitment to work for the betterment of your organization and the NGO sector.

Over the past several months, World Learning has conducted 19 workshops in its series of institutional strengthening workshops, exploring Strategic Planning and External Environment, Human Resource Development, Public Education through the Media and Financial Management issues invaluable to an organization. Like this week's PEM workshop, all World Learning's workshops focus on key elements of good organizational development, in addition to touching on the interconnectedness of the five themes.

The target group for the training program is the 46 World Learning Subgrantees, with workshops organized in five geographic areas to enable full participation of Subgrantees throughout Russia and the New Independent States (NIS). The training sites include Moscow, St. Petersburg, Ekaterinburg and Novosibirsk in Russia, plus locations in Georgia, Ukraine, Kazakstan and now Petrozavodsk. (Karelia). Each workshop will be at least three days in length with a maximum enrollment of 25 persons to facilitate a more in-depth learning experience.

It has been a pleasure for all of us at World Learning to get to know you and your organization and to witness the continued growth and effectiveness of your work. As we continue our work in this phase of NGO development activity, the implementation of World Learning's Institutional Strengthening Training Program, we look forward to your further participation and continued partnership which has been so meaningful to us over the past few years.

Have a successful workshop!

Sincerely,

Scott H. Charlesworth
Field Director
World Learning - Moscow

Fact Sheet

- School for International Training
- Citizens Exchange and Language Programs
- Projects in International Development and Training
- The U.S. Experiment in International

WORLD LEARNING INC.
Founded in 1932 as
The U.S. Experiment in
International Living

HISTORY

World Learning Inc. was founded in 1932 as The Experiment in International Living, a pioneer in people-to-people exchange. It is one of the oldest private, nonprofit, international educational services organizations in the world, and the oldest institution of its kind in the United States. For more than sixty years, it has sustained its founding concept -- ***learning the culture and language of another country by living as a member of one of its families*** -- while it has also pioneered new initiatives in response to a changing world.

MISSION

The scope and diversity of World Learning's programs have grown well beyond the institution's original homestay exchanges, but its mission remains intact: ***to enable participants to develop the knowledge, skills, and attitudes needed to contribute effectively to international understanding and global development.***

SCOPE

Today, World Learning's broad range of international expertise is represented by its three operating divisions: its accredited college, the School for International Training; its traditional Citizen Exchange and Language Programs; and its private, voluntary organization activities operated by Projects in International Development and Training. World Learning currently administers more than 260 programs in nearly seventy countries, providing direct program services to more than 54,000 participants and indirectly benefiting more than 500,000 other people.

World Learning's School for International Training was established in 1964 as a direct outgrowth of the institution's role in providing the original language training and teaching materials for the U.S. Peace Corps. Today, the School offers a bachelor's degree program in international studies, master's degree programs in inter cultural management and the teaching of languages, and college semester abroad programs in more than thirty countries.

Citizen Exchange and Language Programs is World Learning's cornerstone division, operating the institution's Summer Abroad program which was pioneered in 1932. For more than sixty years, World Learning has been dedicated to a simple approach known as the homestay, the best cross-cultural learning laboratory. Families and individuals of all ages from all over the globe participate in World Learning's various exchange and language programs.

Building on its pioneering efforts in international educational exchange and training, World Learning applied its expertise to institutions and individuals working in development. Through the Projects in International Development and Training division established in 1977, World Learning has become a prominent private voluntary organization (PVO) dedicated to furthering world peace through economic and social development initiatives.

World Learning is one of more than twenty-five member organization of the worldwide Federation of National Representations of The Experiment in International Living, which was incorporated in Switzerland in 1954. The Federation has held consultative status with the United Nations Educational, Scientific, and Cultural Organization since 1958, with the United Nations Economic and Social Council since 1978, and with the Council of Europe since 1981. The Federation is composed of member organizations that are privately run, nonprofit, nonpolitical, and nondenominational.

STAFF

World Learning employs more than 1,200 staff, of which about fifty percent are dispersed among its headquarters in Brattleboro, Vermont, and its U.S. offices in Washington, D.C.; Belmont, California; Greenwich, Connecticut; Jacksonville, Florida; and Boston, Massachusetts; and about fifty percent are dispersed among filed offices around the world.

SCHOOL FOR INTERNATIONAL TRAINING

- *Master of Arts in Teaching Languages* - A program that prepares language teachers committed to professional development and service in their field. Participants concentrate in French, Spanish, or English to Speakers of Other Languages.
- *Master's Program in Intercultural Management* - A graduate program that provides competency-based, professional-level training for intercultural managers. Participants concentrate in Sustainable Development, International Education, or Training and Human Resource Development.
- *Bachelor's Program in World Issues* - A two-year, upper-division bachelor's program offering a degree in international studies. Participants concentrate in at least one of these studies: Peace, Social and Economic Development, Environment.
- *College Semester Abroad* - Over forty-five programs in more than thirty countries in every part of the world for college and university students.

CITIZEN EXCHANGE AND LANGUAGE PROGRAMS

- *Summer Abroad* - Programs for high school students that offer homestays, travel, language training, ecological adventure, and community service in Africa, Asia, Australia, the Caribbean, Europe, and Latin America.
- *Elderhostel™* - International homestay and education programs for participants aged 60 years and older, offered in cooperation with Elderhostel, Inc.
- *Homestay/USA* - A homestay program that welcomes international participants, aged 13 to over 80, into U.S. homes for several days, weeks, months.
- *International High School Program/Congress-Bundestag Youth Exchange Program* - Full scholarship programs funded by the U.S. and German governments in which high school students from around the world stay with host families and attend school in the USA, while U.S. students do the same in Germany.
- *AuPair/Homestay USA* - A yearlong cultural exchange program that offers a practical solution to child care for U.S. families and a cost-effective way to work and study in the United States for European *au pairs*.
- *AuPair/Homestay Abroad* - A cultural exchange program in which U.S. *au pairs* live with host families in several European countries, while providing child care and studying for up to one year.
- *International Students of English* - An intensive English language training program for college-age and older students, featuring small, four-week classes on U.S. campuses.
- *Corporate Language Programs* - Intensive language and cross-cultural training programs tailored to the global marketplace.
- *Youth Adventure Camp* - An ideal blend of language training, recreation, and cultural discovery for 11- to 15-year-old students from around the world.

PROJECTS IN INTERNATIONAL DEVELOPMENT AND TRAINING

- *Development Management* - Projects that support local public and private institutions to promote social and economic change through on-the-job training and formal training-of-trainer' workshops.
- *Human Resource Development* - Projects that help to increase the capabilities of individuals to secure employment, play dynamic roles in their chosen fields, and contribute to the communities in which they live.
- *Development Training* - Courses that enable mid- and senior-level professionals to develop knowledge and skills that are immediately useful in their work at home.

It is the policy of World Learning Inc. to provide, in an affirmative way, equal employment and educational opportunities for all persons regardless of race, color, religion, gender, sexual orientation, national or ethnic origin, age, or disability.

Fact Sheet

World Learning

- SUBGRANT MANAGEMENT
- MONITORING AND EVALUATION
- INFORMATION SHARING

ALLOCATING PVO/NIS PROJECT FUNDS

In May 1992, the U.S. Agency for International Development (AID) selected World Learning to manage the Private and Voluntary Organizations Initiatives to the New Independent States of the former Soviet Union (PVO/NIS) project.

The PVO/NIS Project is mandated to fulfill three functions. The **first** is to award subgrants to US nonprofit organizations, focusing on NIS NGO development accompanied by respective service delivery. The **second** is the monitoring and evaluation of subgrantees. The **third** mandate of the PVO/NIS Project is to provide "lessons learned" to AID and the broader PVO community on collaborative US PVO/NIS NGO work in the NIS.

FUNDS GRANTED BY SOLICITATIONS

The first round of competitive solicitations under the Project was held in June 1992. Invitations for Applications (IFAs) were sent to over 300 US nonprofit organizations. Over 60 nonprofits answered the call and submitted proposals. The main focus of this round of solicitations dealt with humanitarian aid and health care delivery in order to strengthen the social safety net -- a general void since the breakup of the USSR. Total funding for the first round amounted to $3,550,000 awarded to 8 organizations.

In October 1992, a second smaller solicitation was held, focusing on the impediments to voluntarism. Developing legislation and NGO advocacy were the main criteria sought. Under this solicitation, $483,350 was awarded to 3 organizations.

In January 1993, a third solicitation was held with two due dates, in January and March. This effort focused on NGO institutional development as an aid to civil society building and ensuring the survival of NGOs and their service delivery. Sixteen (16) organizations received funding totaling $6,670,500.

In February 1994, a fourth solicitation, which originated at the AID-Moscow office, was held. This solicitation, which was for Russia only, emphasized support to Russian non-governmental organizations to improve administrative, management, and communications capabilities. Funding totaling $2,000,000 was awarded to 7 organizations.

A fifth solicitation, originated at the AID-Moscow office with a proposal submission deadline of July 14, 1994, distributed funding to US PVOs and their local Russian partners working together on projects that promote the development of NGOs involved in health care in Russia. Grants were recently selected and range from $375,000 to $750,000, from a total funding of $6.5 million.

FUNDS ALLOCATED TO GEOGRAPHIC REGIONS

To date, most of the funds have been awarded to US nonprofit organizations working in Russia. However, groups working in other countries of the NIS, or in more than one NIS country, have also received support.

Following is a breakdown of funding to the NIS regions.

Russia	$15,836,350
Western NIS (Moldova, Belarus, Ukraine)	$ 2,055,000
Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan)	$ 1,137,500
Caucuses (Armenia, Azerbaijan, Georgia)	$ 175,000
TOTAL	$19,203,850

WORLD LEARNING MOSCOW

1. STATEMENT OF PRINCIPLES

World Learning Moscow seeks to be a dynamic force in the development of the NGO community in the former Soviet Union. In so doing, World Learning's principle priority is providing quality service, in the form of training, technical assistance, and information dissemination to the 46 Subgrantee organizations involved in the PVO/NIS Project. This function of support extends to all 46 subgrantees regardless of their current grant status, albeit active or closed.

In further support of the development of the Subgrantee organizations, World Learning Moscow endeavors to promote and advocate for the strengthening of the broader NGO community in the republics in which it operates. This effort is enhanced through forming appropriate linkages and coalitions with other concerned organizations, implementing public education campaigns on areas of common concern to organizations and communities, and by taking leadership in identifying and addressing important and often complex issues which have significant impact on the prospects for successful NGO development.

In carrying out its mandate, World Learning Moscow recognizes that its greatest resource, first and foremost, is its thoughtful, committed, capable, and unified professional staff. This supportive relationship, characterized by its integrated and mutually respectful operational style, is furthermore extended outward to join in cooperation with other key participants in the NGO development process including World Learning Washington, the Subgrantee organizations (PVOs/NGOs), and other organizations and individuals working on behalf of the emerging NGO sector.

While the historic developments leading to the formation of what has come to be known as the New Independent States (NIS) and the subsequent inflow of international organizations and resources can have an intoxicating effect on those involved, World Learning Moscow recognizes that the only true measure of its success is the growth of healthy programs and organizations capable of meeting community needs on an ongoing basis. As such, it is substantive action rather than rhetoric that counts, and as World Learning Moscow conducts its daily affairs it strives to put these principles into practice and never lose sight of the well being of the Subgrantee organizations and the people they serve.

2. PROGRAM PRIORITIES

I. Project Monitoring and Technical Assistance to World Learning Subgrantees;

II. Organizational Development Training, specifically in the areas of human resource development, financial management, strategic planning, public education through the media, and the external environment;

III. Public Education and NGO Advocacy.

WORLD LEARNING

PVO/NIS OFFICE - MOSCOW

Moscow Field Director - Scott Charlesworth

Scott Charlesworth joined World Learning at the beginning of March, 1995, after leaving his position of Associate Director of the International division of the YMCA of the USA. Most recently, Scott managed the YMCA's international development grants, including the World Learning-funded program to assist emerging local YMCAs in Russia, Belarus, Georgia, Armenia and Ukraine. Based overseas for more than six years, he served as Country Director of Covenant House, Panama, working with street children in Panama City, and was the founder/director of the YMCA in Belize. He trained NGO youth leaders in Papau New Guinea and was Peace Corps volunteer in Honduras. Mr. Charlesworth has a BA in Economics from Rollins College and a Masters degree in Public Management from Carnegie Mellon University.

Project Officer (Health) - Donna Barry

Donna Barry joined the PVO/NIS Project in December, 1994 and spent the first month in Washington as the Project's Health Officer. In February 1995 Donna moved to Moscow, where she took on the position of Project Officer, monitoring a number of the Project grants. Donna formerly worked as a Program Officer for Family Health International for the former Soviet Union, organizing, implementing, and evaluating reproductive health related projects. Proficient in written and spoken Russian, Donna has lived and worked in Russia and the FSU for five years. In the fall of 1993, she organized and coordinated a training of trainers workshop on reproductive health for physicians in the Central Asian Republics. She has Master's degrees in Public Health and International Affairs from Columbia University.

Project Officer (Operations Management) - Alexander Borovikh

Alexander joined World Learning in 1993. He deals with the overall functioning of the PVO/NIS office in Moscow, and is responsible for logistics for World Learning's conferences and workshops. He reports on financial aspects of the Moscow office, provides information on World Learning's activities in the NIS, and participates in designing articles for the newsletter, as well as maintains and develops the database. Alexander graduated from Moscow Linguistic University and for several years worked as an interpreter in different institutions in Russia and abroad. Recently Alexander received his degree from Moscow State University Law Department.

Program Associate (Training/Information) - Tatiana Galkina

Tatiana joined World Learning (Moscow Office) in June 1995 as a Program Associate. Her responsibilites are organising and coordinating World Learning's training program and assisting in information collection and dissemination. Tatiana formerly worked at the Carnegie Endowment for International Peace/CEIP (Moscow Center) as a Project Coordinator - a joint CEIP and IREX project. Her focus at Carnegie was publishing a guide of Russian research organizations (Institutional Map) working in the international relations and foreign affairs fields.The Guide was published both in Moscow and Washington DC in Russian and English (February-March, 1995).Tatiana has previous experience at the Canadian Embassy maintaining and developing immigration data base files within the Immigration Section. For two years Tatiana was an freelance correspondent at INTERFAX News Agensy. Tatiana is finishing her degree at Moscow State University's History Department in Cultural Ethnography.

Project Officer (Information) - Ekaterina Greshnova

Ekaterina joined PVO/NIS Moscow staff in January, 1994. She handles publication issues, collects and coordinates project information, maintains the database, and establishes contacts with mass media and NGOs. In addition Ekaterina coordinates designing and publishing the Moscow Newsletter, *"INFOHELP"*. Ekaterina graduated from Moscow State Institute of International Relations and undertook postgraduate

course work at the Institute of African Studies of the Academy of Sciences. For seven years she worked as a journalist and participated in setting up the first Russian independent news agency "Interfax". Ekaterina has been involved in Russian-American humanitarian projects as a program coordinator for the Citizens Democracy Corps.

Program Associate - Marina Kolmakova

In June 1996, Marina was promoted to the full-time position of Program Associate for the Moscow Field Office. Prior to that Marina worked for 2 years as an intern in the Moscow office while completing her studies in psychology and social work at Moscow Youth Institute. She is now pursuing a Master's of Psychology studing women's issues in Russia. Marina's responsibilities include developing World Learning's newsletter, "InfoHelp", managing the database, and monitoring various subgrantee projects.

WORLD LEARNING
PVO/NIS PROJECT

TENTATIVE TRAINING SCHEDULE

Public Education through the Media

25 - 27 May 1995 - Ekaterinburg, Russia	- complete
15 - 18 January 1996 - Kharkiv, Ukraine	- complete
8 - 12 April 1996 - St. Petersburg, Russia	- complete
16 - 19 April 1996 - Tbilisi, Georgia	- complete
24 - 27 June 1996 - Moscow, Russia	- complete
1 - 5 July 1996 - Almaty, Kazakhstan	

External Environment

21 - 23 June 1995 - Nizhnii Novgorod, Russia	- complete
30 October - 2 November 1995 - Dniepropetrovsk, Ukraine	- complete
14 - 16 March 1996 - Bakuriani, Georgia	- complete
30 June - 3 July 1996 - Petrozavodsk, Russia	
19 - 21 September 1996 - Russia	

Strategic Planning

14 - 16 September 1995 - Lviv, Ukraine	- complete
28 - 30 September 1995 - Novosibirsk, Russia	- complete
26 - 28 October 1995 - Borjomi, Georgia	- complete
10 - 12 November 1995 - St. Petersburg, Russia	- complete
22 - 25 February 1996 - Moscow, Russia	- complete

Financial Management / Financial Sustainability

7 - 9 December 1995 - Dogomi, Georgia	- complete
14 - 16 December 1995 - Nikolaev, Ukraine	- complete
8 - 10 February 1996 - St. Petersburg, Russia	- complete
22 - 25 May 1996 - Novosibirsk, Russia	-complete

Human Resource Development

4 - 7 October 1995 - Yaroslavl, Russia	- complete
All Subgrantee Conference	

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Author: N. Belayeva
President of the International Charity Foundation
"INTERLEGAL"

What is the "THIRD SECTOR"?

The Third Sector is a reality that has long been in existence not only in the West but in this country [Russia] as well, although it might not necessarily be aware of being called so. This is a huge sphere, sector, of a society's life that is no part of either state structures, or business but makes up an independent sphere of organized civil initiatives directed at improving the society's life and being implemented independently of the personal material advantage from this kind of activities.

The Third Sector is all the spheres, directions and organized forms of implementing collective non-profit initiative, all types of organized public activities -- from organizing mass social movements to creating charity canteens, homes and doss houses.

The Third Sector is all professional associations and artistic unions; it is voluntary societies and organs of independent public activities as well as associations, councils, guilds and clubs.

The Third Sector is joint realization of common interests -- from philately and cacti-growing to studying the cultures of Northern peoples or mastering the Japanese martial arts.

The Third Sector is organizing regular aid to those who need it -- disabled and sick adults and children. It is also preparing "breakthroughs" in science and culture and technology. It is methods of upbringing and development of mentally handicapped children and campaigning for the human rights of convicts, as well as organizing a tourist club for the teenagers in your neighbourhood.

The Third Sector is your creative initiative or a problem you are concerned about that can only be resolved by forming a team since the state does not want or is unable to address it and business circles disregard it as not-cost-effective.

The Third Sector is "third" exactly for the reason that there is no room for it either in the first, state, or second, private, sectors; it is that sphere of life, those tasks and problems that cannot be resolved either by virtue of authority or by the power of money.

The Third Sector, therefore, is equally needed to the state and to business as it complements them, makes them more "human", creates an opportunity for a more gradual transition from the overall "state" interest, via a collective form of interest, to individual, private interest and does it independently of the authorities.

Besides, the Third Sector is a testing ground for making large-scale experiments as well as for state and profit-making programs; it is an inexhaustible source of businessmen and politicians, the "forge of the cadre" as the popular Russian clichй has it; it is a faultless indicator or public interests. But the main thing is that the Third Sector is a huge reservoir of social energy, when it is efficient and ensured with resources, is needed to the society itself so that it could address the emerging problems and needs by means of civil initiative where and when it is necessary today without waiting for state budget allocations and independently of the financial reliability of the local businessmen and their wish to be "understanding".