

## HANDOUT #16

### Checklists

#### Key Elements of Building a Sustainable Nonprofit

##### Demonstrated success is evident by:

1. A solid board
2. Develop and implement a realistic business/operational plan
3. Develop and manage a realistic budget
4. Success at raising funds from several sources
5. Data that shows the work you have done through your programs and services and the impact it has had on the participants/community

#### Checklist #1: Develop a Solid Board

- A board of 8-10 people who are not relatives of the founder or each other
- Board members bring a variety of skill sets that are helpful to your nonprofit (board profile)
- Hold regular board meetings.
- Board members regularly attend meetings and participate
- Prepare meeting agendas and stick to them.
- Give advance notice of meetings
- Start and end meetings on time.
- Write minutes for every board meeting
- Designate board officers – at least Chair, Treasurer, and Secretary
- Create board committees and task forces to focus on specific tasks and activities when necessary. These committees may contain both board members and other, nonboard, members who are part of your nonprofit (for example, staff or volunteers). Committees are a good way to get work done outside the board meeting.
- Board members agree to adhere to the Conflict of Interest policy
- Educate board prospects and incoming board members about board responsibilities as well as your organization's mission and activities.

## Checklists

### Checklist #2: Develop Your Business/Operational Plan

#### Getting Ready

- Decide who will participate in the planning process—typically the board of directors.
- Consider others who might have valuable input, including community activists or professionals in your field.
- Include people who have business planning and project planning experience

#### Draft your Plan

- Write a concise and compelling mission statement describing your nonprofit's overarching purpose.
- List your nonprofit's specific goals, objectives, planned activities, and program areas:
  - what your nonprofit will do
  - the population you will serve
  - the geographic area you will serve
  - the reasons the community need the services of your nonprofit
- List the names and credentials of all who will participate in your nonprofit:
  - program staff
  - managers
  - board members
- Write what makes your nonprofit unique – what sets you apart from other nonprofits who provide the same or similar services
- Specify the location of your office and the location of your programs
- List what staff will be necessary to offer your programs and when and how you will hire the staff
- Write how you will let the community know that you exist and are providing services (marketing plan)
- Write how you will raise the funds you need to start up and operate for the first year (fundraising plan)
- Include your budget
- Have someone you trust from your community look over your plan and make edits or suggestions.
- Submit your business plan to the board for review and approval

### Checklist #3: Develop your marketing approach

- Decide who your target audiences are and why? How will you get the word out to them?
- Write down the specific methods you will use to get the word out that your nonprofit exists and is providing services
- Build relationships with other nonprofits, community leaders, and others interested in your mission.
- Get articles into the local newspapers about your nonprofit
- Make it easy for people to contact you – phone, email, website

## Checklists

### Checklist #4: Develop the Budget

#### Income/Revenue

- Realistically estimate the amount of money you can raise through various sources:
  - Individual contributions
  - Membership revenues, if applicable
  - Grants/Institutional donors
  - Special events revenues
  - Sponsorships
- If your budget shows that you'll be short on funds, focus on stretching existing resources rather than increasing estimates of income.

#### Expenses

- List your estimated expenses in four categories:
  1. program expenses – those monies you will be spending that are directly related to the operation of your programs, such as supplies, staff salaries to run the programs, etc.
  2. day-to-day expenses – ongoing money you will spend to keep your nonprofit operating such as rent, postage, printing, utilities, etc.
  3. capital expenses – money you will spend to purchase equipment such as computers, copy machines, furniture
  4. start-up expenses – money you will spend to get started such as brochures, licensing or other fees, utility start up fees, telephone set up, etc.
- If you need to buy assets to get your nonprofit started, such as a computer or office furniture, list them as capital expenses, not as start-up expenses.

### Checklist #5: Compliance

- File an annual IRS Form 990
- Pay quarterly payroll taxes
- Review additional state and federal checklists to determine if you are required to make any other filings

## Checklists

### Checklist #6: Develop your fundraising approach

- Develop a method for keeping track of people who have donated to your organization, such as:
  - names and addresses of everyone you have asked to donate
  - how much they gave and when they gave it
  - who might donate in the future
  - who did not donate
- All board members should contribute a monetary gift
- Constantly look for potential donors who might be interested in the mission
- As a new nonprofit, your best donors are individuals and smaller or family foundations. Larger funders will want to be assured of your sustainability before they invest
- Keep in touch periodically with your donors to let them know what and how your nonprofit is doing
- Start with your own people. Everyone involved with your organization should contribute.
- Ask all volunteers, staffers, and board members to come up with the names of possible donors
- Keep your materials simple
- Use stories of your nonprofits successes. Potential donors will be more inclined to give you money if they see what you have accomplished.
- Before you decide to hold a fundraising event, like a dinner or a community event, calculate the cost of the event compared to the money you will raise. If you will not come out ahead of costs, find another type of event or find a way to reduce the costs.
- Make sure the people who are asking for contributions are comfortable talking about your nonprofit and that they demonstrate enthusiasm for its mission.
- Write thank you notes to each donor, including the amount of the contribution that is tax deductible. Notes should be signed by the Executive Director or a board member.
- Take a course on grant writing

### Checklist #7 Develop a Project Implementation Plan

- Decide what needs to be done
- Break the large projects into smaller manageable tasks
- Decide who will do each of the tasks
- Decide how long it will take to do each task and set a target date
- Monitor your progress against the plan