

**Organization Assessment Report Prepared for Literacy Council of Highlands  
On Behalf of Western North Carolina Nonprofit Pathways  
November 27, 2007 – DRAFT**

---

**Introduction**

We are pleased to submit this report on the Organization Assessment that was conducted from October – November 2007 for the Literacy Council of Highlands.

This report includes 7 sections:

- |  |  |
|--|--|
| 1. Purpose                               | 5. Consultant Recommendations with Resources |
| 2. Approach                              | 6. Conclusion                                |
| 3. Organization’s Findings               | 7. Appendix                                  |
| 4. Organization’s Prioritized Next Steps |  |

Our hope is that this information will support you in your efforts to strengthen your infrastructure and organization as you further develop your impact in our community.

**I. Purpose**

The purpose of an organizational assessment or snapshot is to help your organization build a strong organizational infrastructure so that you can effectively deliver services and programs to your constituency. The organizational snapshot gives your board and staff the opportunity to look together at your management and governance practices. The information gathered helps to identify the organization’s strengths and the areas for improvement. Recommendations for next steps related to strengthening these areas are also identified and documented.

This is a confidential engagement. The organization participating in the assessment may choose to share some or all of the assessment report, as appropriate, with stakeholders beyond the board and staff.

**II. Approach**

Angela Kemper served as the consultant on this project. The steps of the organizational assessment included:

- Background interviews with Breta Stroud, Executive Director, and board members
- Review of materials including: bylaws, promotional materials, website information, case for support, fundraising letters, financial reports for fiscal years 2003-04 through 2006 - 07, board list, board recruitment information, 2004 strategic plan, and draft list of ideas for board and organization.
- Facilitation of Meeting I on October 23, 2007 from 12 noon – 2 p.m. where 6 board and staff members brainstormed organizational strengths and opportunities for improvement.
- Distribution of notes from Meeting I with questions to consider before Meeting II.
- Facilitation of Meeting II on November 6 from 5:15 – 7:15 p.m. where 7 board and staff members discussed and prioritized possible next steps.
- Distribution of notes from Meeting II with request for feedback.

- Discussion of DRAFT Organizational Assessment Report with the Board of Directors and staff on December 11, 2007.
- Delivery of final Organizational Assessment Report.

### III. Organization's Findings

Below are verbatim notes from the brainstorming sessions at Meeting I and II. They include strengths and opportunities for improvement and possible next steps organized by functional area. **The items in italics were added by the consultant for your consideration.**

During Meeting II, which focused on possible next steps, each next step was categorized by functional area and related ideas were grouped. Participants were given dots to use to designate their highest priority next steps. The following tables list the next steps identified by the group and the number of dots each received to indicate priority.

<b>Strategy/Planning</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Mission</li> <li>• <i>You're undertaking this Organization Assessment process to support strategy/planning for the Literacy Council.</i></li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Need a strategic plan</li> <li>• <i>Consider refining your mission statement and developing a vision statement for consensus and clarity on the purpose and hopes you have for your work.</i></li> <li>• <i>Develop an operating plan for 2008.</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• Strategic plan (7 dots)</li> <li>• Tweak mission (2 dots)</li> <li>• Operating plan (2 dots)</li> </ul>	

<b>Governance/Board Development</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Leadership</li> <li>• Committees work very well together</li> <li>• Passion of board members; we're a committed group</li> <li>• We have clarified our board and committee structure</li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Board development</li> <li>• Orientation of board members</li> <li>• Differentiate/define board and committee roles</li> <li>• More detailed communication between ED and board</li> <li>• Recruit appropriate board members</li> <li>• <i>Recruit more board members. (Bylaws specify 15 board members.)</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• Get board members (5 dots)</li> <li>• Define Executive Director/board roles (5 dots)</li> <li>• Reach consensus on board role, clarify board function and board type (4 dots)</li> <li>• Board training/orientation (1 dot)</li> </ul>	

<b>Financial Management</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Efficient providers</li> <li>• We've developed a great new fundraiser</li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Clarification of operating expenses</li> <li>• <i>Develop a board-approved budget for 2008</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• Develop a budget (5 dots)</li> <li>• Organize financials (3 dots)</li> </ul>	

<b>Fund Development</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• The potential in our community for more support; there are prospects with capacity in our community</li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Fundraising that is easy</li> <li>• Fundraising that is profitable</li> <li>• There is local competition for fundraising</li> <li>• Need a fundraising plan</li> <li>• Need more sustainable funding</li> <li>• <i>Implement direct mail fundraising</i></li> <li>• <i>Apply for a N.C. Charitable Solicitation License</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• Fundraising plan and implementation (1 dot)</li> <li>• Get legal (fundraising license) (0 dots)</li> </ul>	

<b>Outreach/Marketing/Communication</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Image/reputation in community</li> <li>• <i>Website presence and content</i></li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Improve content and frequency of publicity</li> <li>• More outreach needed</li> <li>• Need a “puppy”—something that puts a face and heart with the work that we are doing</li> <li>• “Ownership” of literacy within community</li> <li>• Structured plan for marketing</li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• Inspire community ownership, develop a marketing plan, decide what community identity is (for example, “puppy”) (5 dots)</li> <li>• Think big (i.e., Pat Conroy) (0 dots)</li> </ul>	

<b>Programming</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Great programs</li> <li>• People who need us</li> <li>• Good tools for tutoring</li> <li>• Passion of tutors</li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Develop a “hard need” target; clarify the needs we are addressing</li> <li>• Recruiting tutors</li> <li>• Better tutor training</li> <li>• No report card/evaluation</li> <li>• Anticipate arising needs</li> <li>• Keep program quality good</li> <li>• Define literacy</li> <li>• Reach those who need us</li> <li>• <i>Ensure that there are clear goals and measurable outcomes for each program.</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• Success measurement (1)</li> <li>• Tutor recruitment (0 dots)</li> <li>• Tutor training (0 dots)</li> <li>• Develop mobile program (0 dots)</li> </ul>	

<b>Human Resources</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Strong, passionate, hands-on Director</li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• Not enough staff</li> <li>• <i>In your policies and procedures manual, consider adding a “whistleblower policy” to address stipulations of the Sarbanes-Oxley Act of 2002.</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• <i>None identified</i></li> </ul>	

<b>Operations/Facility</b>	
<u>Strengths</u> <ul style="list-style-type: none"> <li>• Getting organized</li> </ul>	<u>Opportunities for Improvement</u> <ul style="list-style-type: none"> <li>• <i>Develop records storage, retention and destruction policy (for personnel, finance, and other records) to comply with Sarbanes/Oxley</i></li> <li>• <i>Evaluate electronic data back up and storage system</i></li> </ul>
<u>What next steps could we take to build on strengths and seize opportunities for improvement?</u> <ul style="list-style-type: none"> <li>• <i>None identified</i></li> </ul>	

#### **IV. Organization's Prioritized Next Steps**

Below are the possible next steps the group brainstormed at Meeting II, organized in descending priority order, based on the number of dots received.

##### **High Priority Next Steps**

1. Strategic plan (7 dots, 1 of which was top priority).
2. Inspire community ownership, develop a marketing plan, decide what community identity is (for example, "puppy") (5 dots, 1 of which was top priority).
3. Develop budget (5 dots).
4. Define Executive Director/board roles (5 dots).
5. Get board members (5 dots).
6. Reach consensus on board role, clarify board function and board type (4 dots, 3 of which were top priority).

##### **Other Next Steps**

7. Organize financials (3 dots, 1 of which was top priority).
8. Tweak mission (2 dots, 1 of which was top priority).
9. Operating plan (2 dots).
10. Board train/orientation (1 dot).
11. Fundraising and plan implementation (1 dot).
12. Success measurement (1 dot).
13. Develop mobile program (0 dots).
14. Get legal; FR license (0 dots).
15. Think big (i.e., Pat Conroy) (0 dots).
16. Tutor recruitment (0 dots).
17. Tutor training (0 dots).

#### **V. Consultant Recommendations With Resources**

What follows are recommendations and resources about a suggested process to implement the findings and conclusions of the organizational assessment. The organization may choose to implement the findings and conclusions differently. We offer this information for your consideration.

##### **Strengths and Opportunities:**

The Literacy Council of Highlands has a dedicated group of volunteer board members; you have already invested time and accomplished some key tasks for capacity building. Several documents you have prepared over the past year are particularly effective for clarifying roles and responsibilities, including your *Personnel Policies and Procedures*, the *Responsibilities of the Board of Directors*, and the job description for the Executive Director. Your Executive Director has participated in several professional development workshops, which is another effective step for capacity building. You created a new special event that was very successful financially and that helped increase community awareness of your work.

## **Challenges:**

The Literacy Council of Highlands faces challenges common to many small nonprofits with limited staff, where the volunteer board needs to be involved in many of the functions often handled by staff in larger organizations. Strategically managing the workload and recruiting more people to serve on the board are crucial to avoid burnout among your dedicated group of board volunteers. In order to sustain and strengthen your organization, more focus is needed on financial oversight and fundraising. Currently, the organization does not have a board-approved budget and appears to have a sizeable financial shortfall for this fiscal year.

## **Recommendations:**

The following recommendations are organized in a suggested priority order. Even though clarifying Executive Director and board roles was identified as a top priority, we recommend focusing on other key tasks in the short-term. Through accomplishing these other tasks, you will also help clarify staff and board roles. In our view, Recommendations 1 – 4 are the most pressing. As you plan to address these recommendations, consider applying for an Organizational Development grant through Western North Carolina Nonprofit Pathways. (Resource 1 in the appendix contains more information about this grant.)

1. **Develop a budget and financial tracking practices.** The Literacy Council of Highlands does not currently have a board-approved budget and is currently operating with a shortfall. The incoming treasurer has been working diligently to develop financial tracking and reports that are helpful to the entire board. Since understanding and monitoring the organization's financial progress is a vital board function, consider making these action steps the highest priority for your organization.
  - a) Develop an operating budget for 2008. I recommend that you submit a draft budget to the board for approval within the next few weeks. Your budget can be modified later as needed, but it is essential to have a current budget so that the board can understand where and how resources are being expended.
  - b) Develop a shared understanding of the organization's likely financial picture for 2007. The current profit and loss statements do not include budget information for comparison. Provide a comparison of the actuals and budget to all board members, and analyze the areas where there is a significant variance. Develop a projection of the financial results for the year.
  - c) Have the board monitor the financial status of the organization. Develop a standard financial report (a guide is included as Resource 2). Ensure that the board reviews the report monthly in order to monitor the organization's finances.
  - d) Implement standardized accounting practices and procedures. The Treasurer has made recommendations for accounting procedures and processes. Devote Executive Director time and board time to implementing these procedures and processes so that your books are balanced and current and so that reports for the board can be readily prepared.

The following are attached as resources:

- Resource 1: Information on Organizational Development Grants Program.
- Resource 2: Guide for Financial Reports.

2. **Focus on Board Development by recruiting more board members and strengthening the management of the board.** The following next steps will help increase the number of people on the board and help strengthen the functioning of your board.

- a) Recruit more board members. You currently have 6 – 7 active board members, and you identified a goal of at least 9 board members, and your bylaws permit up to 15. More board members will help spread the workload and will give you the opportunity to engage community leaders and other volunteers in the work of the Literacy Council. To create a recruitment plan, identify the characteristics that you want in prospective board members, using Resource 3. Develop a list of prospective board members and a plan to contact these individuals. Use a prospective board member packet, outlined in Resource 4, to cultivate and recruit potential board members.
- b) Create a more structured board agenda that also includes strategic issues. In order to address your preference to focus more on “board” issues, structure your board agenda to manage time and expectations. When possible, send out materials in advance so that board members can be fully prepared for key discussions. Build time into each board meeting to address strategic issues. Resource 5 provides a sample board meeting agenda.
- c) Provide a Board Handbook to board members. A sample of information to include in a Board Handbook is included in Resource 6. Consider reviewing the elements of this notebook in regular 5-minute segments at each board meeting, so that a different topic is addressed each month.
- d) Further clarify board and staff interface. As you shift your staffing structure with the addition of an administrative assistant, reconsider the allocation and workload of responsibilities among board and staff. Resource 7 provides a sample grid that differentiates between board and staff roles. Your “Responsibilities of the Board of Directors” document provides a clear, effective description to help as you develop consensus about the role and focus of the board.

The following are attached as resources:

- Resource 3: Template for Developing Board Profile
- Resource 4: Suggested Contents for a Packet for Prospective Board Members
- Resource 5: Sample Board Meeting Agenda.
- Resource 6: Sample Contents for Board Handbook.
- Resource 7: Overview of Board and Staff Responsibilities

3. **Focus on fundraising.** You have created a successful special event fundraiser to support the Literacy Council. Other funding from individuals, businesses, and foundations has been significantly less than budgeted this year. Since your organization’s functioning will be significantly impacted without additional funding, I recommend particular focus on this need.

- a) Develop a specific fundraising plan for 2008. Identify the target amounts for each potential source of funding. Given likely variability in success, target an amount higher than you must have in order to try to achieve the minimum amount needed.

Consider actively engaging the Development Committee and Executive Director in creating this plan. From the Development Planning Workshop that Breta attended, you have a sample fundraising plan to use as a model.

- b) Implement direct mail fundraising. In addition to the newsletter which includes a request for funds, consider mailing a solicitation letter to individuals on your mailing list. Where possible, use personal signatures and notes to personalize these letters. Vary the wording of the letters based on the individuals' giving history (e.g., whether they made a gift last year, have made one previously, or have never made a gift to the Literacy Council of Highlands).
- c) Focus on fundraising. Concentrate volunteer and staff efforts on fundraising in order to get a sufficient number of requests in process to meet your targeted revenue goal. In addition to the Development Committee, engage all board members in this effort. Clearly identify action steps and track your progress.
- d) Submit an application for a N.C. Solicitation License. This license is required for non-profit organizations that raise more than \$25,000 annually. Review the application information to determine if your organization is required to secure a license at this time. (See Resource 8 for more information.)

The following are attached as resources:

- Resource 8: Information on Applying for a N.C. Solicitation License.

4. **Conduct a strategic planning process that particularly focuses on programming.** A number of questions surfaced about programming, about who is targeted, how literacy is defined, and the specific needs being addressed. A strategic planning process will provide the opportunity to dialog about these questions, clarify your specific impact in the community, and reach consensus.

- a) Further clarify who the Literacy Council serves, why these groups are a priority, and their current and future needs. Your mission statement is broadly stated, and while this provides your organization many options for how to focus your work, it does not provide direction on program selection. With strategic planning, you would have the opportunity to assess community needs and refine the focus of your programs.
- b) Evaluate and measure outcomes for existing programs. The need to have a “report card” and evaluation emerged from this process. To address this need, develop a process for tracking the impact of your programs, so that you can establish the outcomes of each program. This information is important for substantiating grant requests, highlighting with donors, and publicizing to the community. Resource 9 provides additional information and direction.
- c) Identify any improvements needed in current programs. Several suggestions were made in this process, including improving the tutor training, maintaining program quality, and recruiting more tutors. Determine what improvements, if any, are a high priority and develop a plan for proceeding.

The following are attached as resources:

- Resource 9. Guide to Outcomes Evaluation.

5. **Address other issues later.** Other important needs were identified through this process. To help with sequencing and manageability of this organization development effort, I recommend that you focus on implementing recommendations 1 – 4 in December 2007 – February 2008, prior to focusing on other issues. Most likely, the following issues would not be addressed until March 2008 or later.
- a) Create an operating plan (an annual workplan). An operating plan will help guide the work of the Literacy Council; it provides staff a clear plan and calendar for each month, and it provides board members an insight into the work flow and key tasks for the staff. Usually, an operating plan is based on the goals identified in a strategic plan; it details how those goals will be addressed. However, I encourage you to draft a preliminary operating plan by March 2008, even if it is before you complete a strategic planning process, in order to inform the work of 2008.
  - b) Consider a training session for the Board of Directors. A training session would provide more in-depth information about the roles and responsibilities of the Board of Directors, plus guidance for smooth functioning of the board. This type of training can be conducted by a consultant, or WNC Nonprofit Pathways is offering this option. (See Resource 10 for more information.) Given the structure and organization that you already have, and the other pressing priorities for board action, I recommend that you focus first on addressing recommendations 1 – 4 before conducting an additional training session.
  - c) Marketing and outreach. Consider creating a Marketing Committee to focus on developing a marketing plan to further position the Literacy Council in your community. You identified a goal to inspire community ownership and to “think big” in your marketing.

The following are attached as resources:

- o Resource 10: Information about Board Training through WNC Nonprofit Pathways.

## **VI. Conclusion and Thank You**

Thank you for the opportunity to work with Literacy Council of Highlands and each of you.

It is the hope of WNC Nonprofit Pathways that this Assessment marks the beginning of work in the area of organizational development. Your board and staff now have a shared understanding and priorities for key tasks that need to be done to make your organization more effective in its mission to serve the community. WNC Nonprofit Pathways and other resources are available to help you move forward on these priorities.

We particularly encourage you to participate in evaluation. (An evaluation form will be provided at our final meeting and by email.) WNC Nonprofit Pathways will be contacting your organization to follow up on evaluation and your progress in addressing these priorities. We are available if you have any questions about this report, and we look forward to hearing about your progress.