

CMM Center Operations

Best Practices

While conflict resolution services are the cornerstone of community mediation centers, “back room” operations are important to create the foundation for a sustainable organization. In keeping with CMM's efforts to establish and maintain state-level partnerships, member Centers are strongly encouraged to align their Center processes with the following Center Operations “Best Practices”, which will be communicated to our state-level partners, as part of our dialogue about Community Mediation and the Ten-Point Model.

Center Operations includes four primary topic areas: Human Resources, Board Development, Financial Management and Fund Raising. Because of the importance and complexity of Center Operations, this binder includes additional attachments and bibliographies.

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Human Resources - Best Practices

People are the most valuable asset of an organization. Human resource management is the responsibility of the Executive Director with support from the board leadership. Human resource management includes ensuring all staff members and volunteers understand their role and its connection to the organization. Maintaining competitive compensation plans, compliant personnel policies, current job descriptions, inclusive hiring and retention plans, documented training plans, comprehensive legal/ethical standards, performance based management and providing a safe, happy work environment rounds out the human resource responsibilities of the Executive Director and Board leadership. For community mediation centers, it is important that human resources processes also reflect inclusive processes and collaborative conflict resolution.

Note: The section below references “volunteers” as well as “staff”. The reference is to volunteers serving in the office or in administrative roles. Separate CMM documents address Best Practices for managing volunteer mediators and quality assurance for volunteer mediators.

A. The mission statement offers the guiding principle of all we do. Our goals, programs and activities support our mission.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Mission statement and organizational goals are documented and shared.</p>	<p>1.1 Executive Director and the Board share the center’s mission statement with staff members /volunteers and ensure they clearly understand their roles in supporting and fulfilling the center’s vision.</p> <p>1.2 Executive Director and the Board set the annual goals for the center, with opportunities for input from staff, volunteers, and stakeholders. The goals are shared with staff members and volunteers and are specific, measurable, attainable, reasonable and timely.</p> <p>1.3 Executive Director ensures the goals support the center’s mission, as it relates to the community, staff members, volunteers, and the board of directors.</p>

Best Practices	Suggestions for Achieving Best Practices
	<p>1.4 Executive Director ensures the goals support continuous improvement in community engagement and outreach.</p> <p>1.5 Executive Director ensures the goals align to the requirements outlined in the financial support for each center, to include grants and donations.</p> <p>1.6 Executive Director ensures the goals tie directly to staff member and volunteer performance expectations and evaluations.</p> <p>1.7 Executive Director and Board ensure participation from staff, volunteers, and stakeholders when the mission or multi-year goals are revised.</p> <p>1.8 Executive Director and Board ensure that progress toward the annual goals is reviewed regularly.</p>

B. The compensation and benefits of all employees are an important part of attracting and retaining quality personnel.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Comprehensive compensation and benefits plans are documented and current.</p>	<p>1.1 The Board sets the salary for the Executive Director and approves a budget for the total amount to be spent on salaries for the organization. The Board also approves the budget for the total amount to be spent on benefits.</p> <p>1.2 The Executive Director develops and maintains the center’s compensation and benefits plan.</p> <p>1.3 Executive Director ensures that staff members are aware of, and understand the center’s compensation and benefit plan.</p>

Best Practices	Suggestions for Achieving Best Practices
	<p>1.4 Executive Director annually reviews benefits and compensation of staff and makes recommendations to Board for any necessary budget changes.</p> <p>1.5 Board annually reviews Executive Director's compensation and benefits</p>

C. Written personnel policies are a part of every Community Mediation Center.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Personnel policies are current and compliant with local, state and federal guidelines and consistent with collaborative conflict resolution processes.</p>	<p>1.1 Executive Director reviews and ensures personnel policies are up to date and accurate on an annual basis.</p> <p>1.2 Executive Director ensures all staff members are aware of and familiar with the personnel policies and employee rights under the guidelines.</p> <p>1.3 Executive Director ensures maintenance of staff and volunteer personnel files and ensures confidentiality of personal information.</p> <p>1.4 Personnel policies include conflict resolution policies and disciplinary policies begin with direct dialogue and opportunities for formal mediation provided by other centers.</p>
<p>2. Legal and ethical standards are included in personnel policies.</p>	<p>2.1 Executive Director ensures development and maintenance of documentation outlining the legal and ethical standards expected of each staff member and volunteer.</p> <p>2.2 Executive Director provides each staff member and volunteers a copy of the legal and ethical standards, and ties it directly to his or her performance plan.</p> <p>2.3 Legally required employment information is posted where all staff can see it.</p>

D. Every staff, Board, and other volunteer position have a written job description.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Job descriptions and role responsibilities for staff members and volunteers are documented and current.</p>	<p>1.1 Board maintains current job descriptions and role responsibilities for the Executive Director.</p> <p>1.2 Executive Director ensures that job descriptions are maintained for each center staff and volunteer positions.</p> <p>1.2 Executive Director ensures staff members and volunteers understand their job descriptions and role responsibilities.</p> <p>1.3 Executive Director utilizes the job descriptions and role responsibilities as the foundation for each staff member’s performance plan.</p> <p>1.4 Executive Director reviews job description and role responsibilities annually to ensure the descriptions/responsibilities are accurate and up to date.</p> <p>1.5 Board uses the Executive Director’s job description and role responsibilities as the foundation for the Executive Director’s performance plan and annual review.</p>

E. Centers recruit and retain strong and diverse staff and volunteer teams

Best Practices	Suggestions for Achieving Best Practices
<p>1. Recruitment, hiring and retention promotes diversity and opportunities for growth.</p>	<p>1.1 Executive Director documents and maintains the recruitment and hiring plan for filling staff positions and volunteer roles.</p> <p>1.2 Executive Director ensures the process promotes the recruitment and hiring of staff members and volunteers that reflect the diversity of the community they serve.</p> <p>1.3 Executive Director develops and maintains a retention process for staff members and</p>

Best Practices	Suggestions for Achieving Best Practices
	<p>volunteers.</p> <p>1.4 Executive Director ensures the retention plan includes providing a positive work environment, opportunities for growth and advancement, training and educational fulfillment, and performance management for staff members and volunteers</p>

F. Feedback on performance supports staff development.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Employees are reviewed on a regular basis.</p>	<p>1.1 Executive Director or designee works with each staff member to develop a performance plan prior to the beginning of each year.</p> <p>1.2 Executive Director ensures the plan supports the center’s mission and aligns directly to the center’s goals.</p> <p>1.3 Executive Director or designee completes a performance appraisal relative to goals and reviews it with each staff member on a regular basis, at least once per year.</p> <p>1.5 The performance review includes the staff member or volunteer providing their input on their own performance.</p> <p>1.6 The performance review provides the staff member or volunteer with a chance to give feedback to their supervisor.</p>

Additional Resources for Human Resources

<https://www.ideaencore.com/item/employee-development-jewish-family-service>

<http://www.cornerstoneondemand.org/assets/resources/StrengtheningLeadershipandHRCapacity2008.pdf>

<http://smallbusiness.chron.com/human-resource-skills-practices-small-nonprofits-40326.html>

<http://www.empxtrack.com>

<http://www.scanpo.org/3rd-edition/guiding-principles/>

WCN_best_practices_for_non-profit_boards.pdf

Board Development - Best Practices

The responsibility for governing a nonprofit organization lies with its Board of Directors, which provides overall leadership and policy direction. The Board is the steward of nonprofit assets and resources. Board members are held to the highest legal and ethical standards to ensure that their loyalties lie entirely with the organization, that they are diligent in carrying out their duties, and that they act in good faith to advance the nonprofit’s mission. For community mediation centers, it is important that Board processes also reflect inclusive processes and collaborative conflict resolution.

A. The Board determines the organization's mission, sets broad policy, and assesses and approves the strategic plan and goals that are appropriate to that mission.

Best Practices	Suggestions for Achieving Best Practices
1. The Board regularly reviews the organization’s mission, with input from staff, volunteers, and stakeholders.	1.1 The Executive Director and the Board should periodically identify and reaffirm the benefits the organization is providing. 1.2 The Board participates actively in the overall planning process and assists the Executive Director in implementing and monitoring the plan’s goals. 1.3 The Board and Executive Director seek volunteer, staff, and stakeholder input in reviewing and revising the goals and mission.
2. The Board reviews reports on programs and services and tracks progress to ensure consistency with the organization’s purpose and mission.	2.1 The Executive Director and the Board regularly review programs and services to ensure that they are tied to specific outcomes consistent with the mission.
3. The Board refrains from directing the day-to-day activities of the organization and managing the staff.	3.1 Board leadership and the Executive Director clearly delineate the respective roles of the Board and staff.

B. Board membership is well managed.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Staff support the Board to maintain interest, commitment, and productivity of Board members.</p>	<p>1.1 The Executive Director and Board leadership find ways to sustain maximum Board attendance, through development of compelling agendas and presentations, recognition and appreciation of service, and incentives to participate.</p> <p>1.2 The Executive Director ensures that there is consistent staff support for Board activities.</p> <p>1.3 Board members carry out their duties diligently by regularly attending meetings; reviewing, understanding and independently evaluating materials presented to the Board; and asking for the information needed to carry out their job.</p>

C. The Board holds itself accountable for raising money.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Board members accept responsibility for raising money.</p>	<p>1.1 Board leadership develops a strategy for ensuring Board involvement in fund development.</p> <p>1.2 Board leadership and the Executive Director regularly stress to all Board members their role in fund development.</p> <p>1.3 All Board members support the organization by making personal donations.</p> <p>1.4 All Board members support the organization by raising funds from friends and others in their social networks.</p>
<p>2. The Board encourages staff involvement in the fund raising process.</p>	<p>2.1 Board leadership and the Executive Director regularly include staff in specific fund raising activities.</p>

D. The Board ensures effective fiscal management.

Best Practices	Suggestions for Achieving Best Practices
1. The Board reviews financial reports that are accurate, easy to understand, and timely.	<p>1.1 The Executive Director ensures effective staff support to the financial functions, including the provision of reports that meet the Board’s needs for financial information.</p> <p>1.2 The Board leadership defines Board roles in fiscal management and oversight, and identifies Board members who have the skills to provide that oversight.</p>
2. Employees and volunteers are able to make a confidential report regarding suspected financial impropriety or misuse of organization resources.	<p>1.1. Board leadership ensures that there is a procedure for confidential reporting of suspected improprieties.</p> <p>1.2 Board leadership and the Executive Director take steps to ensure that employees and volunteers are familiar with the procedure for confidential reporting of suspected improprieties.</p>

E. The Board represents the organization in the community.

Best Practices	Suggestions for Achieving Best Practices
1. Board members actively solicit input from the communities and constituencies with whom they interact.	<p>1.1 The Executive Director and Board leadership develop strategy and processes for soliciting input from constituencies served and represented by the organization.</p> <p>1.2 The Executive Director periodically invite volunteer mediators to attend Board and staff meetings to provide input on programs and activities</p>

F. The Board represents the interests of the community to be served and brings the proper balance of expertise to the organization.

Best Practices	Suggestions for Achieving Best Practices
1. Board composition provides the skills required by the organization and reflects the community served.	1.1 The Board nominating committee defines the criteria for strategically selecting Board members, based on experience, organizational needs and community representation
2. The Board leadership develops a process and timeline for Board recruitment based on the above criteria and needs.	2.1 The nominating committee proposes an annual work plan for its recruitment and training efforts, which is approved by the Board.
3. The By Laws clearly state tenures for Board members and the Board adheres to them.	3.1 The nominating committee keeps a record of each Board member’s starting date and reviews it annually. 3.2 Board members are nominated for staggered terms.

G. The Board ensures that the public has reasonable access to information about mission, activities, Board membership and basic financial data.

Best Practices	Suggestions for Achieving Best Practices
1. An annual report to inform the public is produced.	1.1 The Executive Director and staff leadership assemble information necessary for an annual report. 1.2 The Executive Director and staff leadership communicate key organization information in writing in a way that is understandable to the public.
2. Governing documents, the conflict of interest policy, and financial statements are available to the public.	2.1 The Executive Director makes the organization’s governing documents, its conflict of interest policy, and its financial statements available upon request.
3. Board meetings are generally open to interested individuals.	3.1 Any interested party may attend a Board meeting, although there may be limitations on participation in the conversation.

Best Practices	Suggestions for Achieving Best Practices
	3.2 The Board develops policies for when closed or executive sessions may be necessary and adheres to these guidelines.

H. The Board recruits, hires, sets salary, and evaluates the performance of the Executive Director and oversees succession of that position.

Best Practices	Suggestions for Achieving Best Practices
1. The Board maintains a written policy regarding Board oversight of the Executive Director.	1.1 Board leadership writes a policy for Board approval. 1.2 Board and Executive Director ensure that the Board’s policy is followed. 1.3 Board leadership ensures that the Executive Director’s performance is reviewed annually, with input from Board, staff, and volunteers.

I. The Board maintains a good relationship with organization staff.

Best Practices	Suggestions for Achieving Best Practices
1. The Board understands and maintains the policymaking role of the Board.	1.1 The Executive Director and Board leadership identify strategies to help Board members understand appropriate roles with respect to organization management, staff and operations, including possible conflicts of interest.
2. The Board and staff communicate about organization and program issues.	2.1 The Executive Director and Board leadership use effective coaching and communication strategies for building and sustaining positive Board/staff relationships.
3. Daily operations are the responsibility of the Executive Director and staff.	3.1 The Board understands and respects the boundaries around daily operations. 3.2 Board and Executive Director work together to decide over which committees each has oversight. 3.3 Board and Executive Director agree to mediate if there is conflict regarding the division of responsibilities.

J. Board decision-making processes are efficient, collaborative, and inclusive.

Best Practices	Suggestions for Achieving Best Practices
1. Board meetings are run in an inclusive and collaborative way.	1.1 Board leadership actively facilitates the meetings. 1.2 The Board honors committee processes.
2. Board committees are inclusive and effective	2.1 Board committees includes staff, volunteers, and stakeholders. 2.2 The Board gives clear directions to committees.

K. The Board understands and manages conflicts of interest and potential conflicts of interest.

Best Practices	Suggestions for Achieving Best Practices
1. The Board has a clear policy and procedures for conflicts of interest or potential conflicts of interest.	1.1 Board members annually consider and disclose potential conflicts of interest. 1.2 Board members are trained on legal and ethical issues surrounding potential conflicts of interest. 1.3 Board members have a process to raise potential conflicts of interest for each other. 1.4 Board members recuse themselves from votes in which they have a conflict of interest.

Additional Resources for Board Development

1. Boardsource Knowledge Center
<http://www.boardsource.org/knowledge.asp>
2. Principles & Practices for Nonprofit Excellence: A Guide for Nonprofit Board Members, Managers and Staff, Minnesota Council of Nonprofits, 2010
<http://www.minnesotanonprofits.org/nonprofit-resources/principles-and-practices>
3. Best Practices: Nonprofit Corporate Governance, McDermott, Will & Emery, 2004
<http://www.mwe.com/info/news/wp0604a.pdf>
4. Nonprofit Governance and the Work of the Board, David Renz, Midwest Center for Nonprofit Leadership, University of Missouri, Kansas City, 2007
[http://bloch2.umkc.edu/mwcnl/board_resources/Gov & bd work Renz paper rev.pdf](http://bloch2.umkc.edu/mwcnl/board_resources/Gov_%20bd_work_Renz_paper_rev.pdf)

Fundraising - Best Practices

Fundraising is a marathon, not a sprint. It is based upon persistent efforts as well as the flexibility to adapt to changed circumstances. Successful fundraising depends upon clarity of mission and the ability to effectively communicate it. It requires a transparent demonstration of organizational competence. While there may be various forms of fundraising, most Community Mediation Centers are involved in grant writing, special events and managing donors through capital, annual or ongoing campaigns.

A. Long and short term plans for fundraising goals are developed in conjunction with budget goals and requirements.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Goals are developed for all potential sources of funding, including fundraising events, government grants, foundation grants, direct mail appeals, and donations.</p>	<p>1.1. Finance Committee, Development Committee, Treasurer and Executive Director contribute to setting these goals before the start of each fiscal year.</p> <p>1.2 Goals are revised as needed; reviewed at least annually , and include quarterly, annual and long term dollar goals for each fundraising category</p> <p>1.3 Criteria are developed by which to evaluate the success of fundraising efforts, as well as their educational and public relations benefits.</p> <p>1.4 Goals developed through staff, board, volunteer and leadership brain storming enhances the “buy- in” for the entire organization.</p>

B. Fundraising events and themes are selected which promise the greatest probability of success.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Careful research and planning is employed for fundraising events</p>	<p>1.1 Fundraising experiences of other centers are shared and monitored continuously for fundraising lessons learned.</p> <p>1.2 Successful fundraising events are implemented on an annual basis (e.g., annual “fun runs”, or silent auctions)</p> <p>1.3 A budget is created to ensure that a fundraiser never costs more to implement than it will bring in.</p> <p>1.4 An event logistics plan is created (who, what, when, how) for instance, for the month or week before, during and after the event.</p> <p>1.5 Data bases are maintained of contributors, participants, vendors, mailings and correspondence.</p> <p>1.6 A plan is developed which permits midcourse corrections to address surprises or changed conditions.</p> <p>1.7 A process is developed to determine a way to implement a termination of the event in order to cut losses, should that become necessary.</p> <p>1.8 A post event analysis is conducted which identifies what worked well and what could have been done better (such as: the success of financial and other goals; vendor performance; staffing performance; PR/marketing success ; adequacy of planning; surprises encountered and how handled.)</p>

Best Practices	Suggestions for Achieving Best Practices
	1.9 Plans are made to thank contributors by a leadership representative of the center, in writing which complies with relevant IRS requirements for documenting charitable contributions.

C. Events selected are supported by adequate and available personnel

Best Practices	Suggestions for Achieving Best Practices
1. There are adequate personnel to support the event and they are committed to seeing it through.	<p>1.1 Fundraising events are developed through Staff, volunteer, and board brainstorming to encourage “buy in”.</p> <p>1.2 The organizational leader is clearly committed to the task.</p> <p>1.3 Consideration is given to using a community celebrity leader as well as an organizational leader, and if both are selected their respective roles are clarified.</p> <p>1.4 The availability of appropriate staff is carefully assessed and the number of staff needed to support the event is carefully calculated.</p> <p>1.5 Staff is able to maintain desired on-going center activities during the event.</p> <p>1.6 Expectations of board members before, during, and after the event are clarified.</p> <p>1.7 A plan for 100% participation in the event by the organization’s leadership is implemented.</p>

D. A realistic budget of income and expenses is prepared for the event.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Every event has a working budget with adequate funding allocated specifically to cover anticipated costs.</p>	<p>1.1 Necessary minimums are established (number of participants, contribution amounts, etc.) in order to meet goals.</p> <p>1.2 All direct as well as indirect expenses are identified (cash disbursements, taxes, licenses, contract requirements, etc.).</p> <p>1.3 Available cash flows are coordinated with the timing of cash needs.</p> <p>1.4 All revenue sources are identified (cash contributions, in kind contributions sponsorships, underwritings).</p>

E. Marketing plans and messages are developed which carefully convey selected messages through multiple outlets.

Best Practices	Suggestions for Achieving Best Practices
<p>1. All available communication outlets are identified based upon desired exposure and outcomes.</p>	<p>1.1 Social media (Facebook, Twitter, and YouTube) are explored for their possible impact.</p> <p>1.2 Newsletters and websites are explored for their possible impact.</p> <p>1.3 The center’s mission and activities are summarized in a so called “30 second message” that is used consistently by leaders, staff, and volunteers, and is repeated where appropriate in all messaging</p> <p>1.4 Communications about the event are crafted to specific interests or desired target audiences.</p> <p>1.5 The use of on line registration vendors is considered.</p>

Best Practices	Suggestions for Achieving Best Practices
	<p>1.6 Media exposure, printing, mailing, etc. are carefully timed to the demands of the production process and the timing of optimum exposure to the public.</p> <p>1.7 Plans are implemented to maintain contact with participants after the event to groom them for ongoing support.</p>

F. A long term strategy is developed for obtaining grants.

Best Practices	Suggestions for Achieving Best Practices
1. The personnel resources available to conduct grant solicitations are analyzed and known.	<p>1.1 Determine how much effort the organization will need to set aside each month for grant writing.</p> <p>1.2 Identify who will be the primary grant writer.</p>
2. Appropriate grantors are identified.	<p>2.1 Identify a committed leader of the solicitation effort (s) who can conduct needed research</p> <p>2.2 Research internet using identifying terms (keywords) such as family relationships, teen violence, neighborhood relations, peacemaking, mediation, community development, prisoner re-entry, truancy, schools, and so on.</p> <p>2.3 Use local library access or travel to Washington, DC to access the Foundation Center’s Database. Do this annually. Again, use keywords such as family relationships, teen violence, neighborhood relations, peacemaking, mediation, community development, prisoner re-entry, truancy, schools,</p> <p>2.4 Research corporate opportunities through their annual reports, public relations offices, or the corporate website search window using terms such as “grants”, or “philanthropy”.</p>
3. Grantor opportunities are kept current.	3.1 Once grantors have been identified, plot each grant cycle on one master calendar so that timing

Best Practices	Suggestions for Achieving Best Practices
	<p>for grant writing is consistently known, including application and report deadlines.</p> <p>3.2 Grant applications are being written every month of the year.</p>
<p>4. Grant writing follows a format</p>	<p>4.1 When Letters of Interest are requested, they are usually sent without an application.</p> <p>4.2 Applications may be sent when invited by the Grantor or outside a grant cycle if so indicated.</p> <p>4.3 Grant writer(s) follow the grantor’s rules and guidelines and do not adlib.</p> <p>4.4 All requested supporting documentation (i.e. attachments) is current and included in application packet.</p> <p>4.5 Strict editing is done before any grant application is submitted.</p>
<p>5. Relationships with current and future grantors are nurtured.</p>	<p>5.1 Because the specific interests of grantors can change over time, relationships with a grantor are maintained whether or not a particular grant has been made.</p> <p>5.2 Grantors receive Center newsletters and other communications on a regular basis.</p> <p>5.3 Written thanks are extended to grantors following any grant application, whether or not funds were granted.</p> <p>5.4 When grants are rejected, grant-writer calls the foundation for feedback.</p>

G. Donations are a constant source of fundraising

Best Practices	Suggestions for Achieving Best Practices
1. There is a viable list of donors.	1.1 Board and staff work together on a regular basis to populate a list of interested persons. 1.2 A designated database of donors is established and tracking is kept current. 1.3 Current and potential corporate donors are personally contacted.
2. Donor relationships are honored and nurtured.	2.1 Center uses a “donor solicitation” template for both new donors and past donors. 2.2 Donors are kept on mail list for newsletters and other Center communications. 2.3 Newsletters are disseminated at least semi-annually and donors receive a copy of the Annual Report. 2.4 Each donation is promptly acknowledged.
3. Annual campaign for donors end of year Tax-Planning is scheduled	3.1 Tax planning is the basis for an end of the year campaign for donations. 3.2 Focused campaign materials are designed. 3.3 Campaign has a budget and a timeline.

Additional Resources for Fundraising

Milo Frank, “How To Get Your Point Across In 30 Seconds or Less, Pocket BooksAhern, Thomas, How To Write Fundraising Materials, Emerson and Church, publishers, 2007

Kim Klein, Fundraising for Social Change, 6th edition paperback, by Jossey Bass, publishers

Pamela Grow Five Days To Foundation Grants, Kindle

www.courts.state.md.us/macro/grants/2013/cmgrant for the latest explanation of MACRO grants.

<http://www6.nationalservice.org/> E Grants for Americorps services
www.nafcm.org/ The National Association for Community Mediation.
www.fundsforngos.org , an online effort to connect NGOs with donors .
www.GrantsWatch.com identifies specific grant opportunities, for a fee.
www.foundationcenter.org The Foundation Center
www.grants.gov/ (for federal funding opportunities)
www.grants.maryland.gov/ (for Maryland grants)
<http://www.fundraisingip.com/fundraising/help-me-write-fundraising-donation-request-letters/>
<https://www.paypal.com/webapps/mpp/donations>
http://www.idealware.org/articles/Getting_Started_Email_Fundraising.php
<http://www.socialbrite.org/2010/05/28/19-tools-for-fundraising-with-social-media/>

Financial Management - Best Practices

The goal of any successful financial management system should be to have transparency, accuracy, and timeliness. Much of this depends on the work that is done to create a budget that meets the needs of the organization while recognizing the realities of the environment and provides a map for where the organization needs to go in the coming years. For this reason, financial management should not be treated as a year by year activity, but should be considered along with the strategic plan as part of a 3-5 year plan. Outlined below are some ways to help centers make financial management less stressful, consistent and malleable enough to deal with surprises that inevitably occur.

A. The Board is active in the financial management of the organization.

Best Practices	Suggestions for Achieving Best Practices
1. The Finance Committee sets in place financial policies.	1.1 Executive Director, Financial staff, and Financial Committee review policies regularly for feasibility, transparency, and accountability, and ensure the organization is following them. 1.2 Work with your Auditor or other financial expert to review policies and provide feedback.
2. The Board receives and reviews regular financial reports.	2.1 Create a list of reports with a schedule for when they are needed and to whom they go (at least quarterly). 2.2 Provide training on how to read financial reports every time new members are added and with refreshers when needed. 2.3 Add written notes to reports to give context and more information.

B. The staff plays an active role in financial management.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Program managers and staff receive regular financial reports pertaining to their grants/programs.</p>	<p>1.1 Create a list of reports with a schedule for when they are needed and to whom they go.</p> <p>1.2 Provide training on how to read financial reports.</p> <p>1.3 Set regular meetings to review financial reports and grant spending reports.</p> <p>1.4 Track all expenses by program (class) and funder (job).</p>
<p>2. The staff is engaged in budget creation.</p>	<p>2.1 Begin talking about next fiscal year’s budget early, at least 6 months ahead of time.</p> <p>2.2 Identify program needs and strategic goals first and then work on identifying sources of income/priorities on budget. Ideally this will include 2-3 years of needs to allow long term seeking of funds.</p> <p>2.3 Use the organization mission and strategic plan to identify priorities.</p>

C. A realistic yearly budget is created with input from staff that supports programs, administration, evaluation and fundraising.

Best Practices	Suggestions for Achieving Best Practices
<p>1. The board approves a budget with realistic projections of revenue and expenses that are tied to program outcomes and that support operations and evaluation.</p>	<p>1.1 Executive Director and senior Program staff should develop the proposed budget: identifying realistic expected expenditures and revenue.</p> <p>1.2 Ensure that both program costs and operational costs are understood and are effectively covered. These should be tied to expected outcomes. (i.e. What costs are associated with holding more/less mediations/trainings, etc?)</p>

Best Practices	Suggestions for Achieving Best Practices
<p>2. The Board, Exec. Dir. and Staff monitor budget(s) regularly and revise as necessary.</p>	<p>2.1 Executive Director, senior Program staff and Board should monitor spending throughout the year and understand the connections between the budget and programs.</p> <p>2.2 The Board should review the budget quarterly to determine if revisions are needed.</p> <p>2.2. Staff should understand their role in reading and monitoring financial reports as understanding financial position, costs/benefits of programs, sources of revenue, and the financial health of the organization as a whole.</p> <p>2.3. Have a cash flow statement that is updated regularly.</p>
<p>3. Executive Director and Program staff create program specific budgets and review regularly.</p>	<p>3.1 Include portions of operational costs in the program budgets (i.e. telephone, insurance, rent).</p> <p>3.2 Track revenue and expenses by program and funder (in Quickbooks this would be with “Class” and “Customer Job” respectively).</p>

D. Have in place effective financial management procedures and systems that ensure accuracy, transparency, and timeliness.

Best Practices	Suggestions for Achieving Best Practices
<p>1. Executive Director. and Financial Committee select a financial management system that works for the whole organization.</p>	<p>1.1 Find out what other centers like yours use.</p> <p>1.2 Exec. Dir and Board should consider where your strategic plan expects your organization to be in 3-5 years and build a system that will support that.</p> <p>1.3 Include software, personnel, and written procedures as part of any system.</p> <p>1.4 Consider reporting requirements to Board, Staff, and Grantors that you have and those you want to have.</p>

Best Practices	Suggestions for Achieving Best Practices
2. Exec. Dir. and Board ensure sufficient staff /board support to adhere to expected policies and procedures.	2.1 Include operational support for financial management in fundraising goals.
3. Track income and expenses accurately and regularly.	<p>3.1 Refine your chart of accounts to track spending areas accurately. Review annually.</p> <p>3.2 Use classes or another excel column separate from the chart of accounts to track program expenses. (i.e. chart of accounts line “Food” may include spending for 2-3 programs)* Use “Customer Jobs” or excel to track funders. There may be multiple funders supporting one program and you’ll need to report to them both how their funds were used as well as the total program costs.</p> <p>3.3 Code all income/expenses items by</p> <ul style="list-style-type: none"> a. Chart of Account line b. Class/Program c. Customer Job/Grant/Contract
4. Run monthly bank statement reconciliations.	4.1 Have someone who is not responsible for receiving and depositing money do this.
5. Make sure that timesheets are accurate and timely.	<p>5.1 Exec. Dir. and Management staff should ensure that staff/contractors understand how to accurately fill out timesheets.</p> <p>5.2 Ensure that a timesheet is filled out and filed for every pay period, including those where staff may be on extended leave.</p> <p>5.3 Staff should sign each timesheet.</p> <p>5.4 Include grant tracking on timesheets if any staff are covered by grant funds.</p>

Best Practices	Suggestions for Achieving Best Practices
6. Set regular income and expense goals (monthly/quarterly) and report on goals to finance committee/board.	6.1 Fundraising goals, grant expenditure goals, and program income goals should all be monitored regularly, either monthly or quarterly and progress toward goals reported to the staff and board.
7. Maintain a calendar with regular monthly meetings, reviews of Financial Information, and important due dates.	7.1 Share with key staff and board members.