A. PLANNING

Vision (What we seek to create)
- There is a clear, specific, compelling understanding of what the organization aspires to become or achieve in the form of a vision.
- The vision reflects an inspiring view of future and is demanding, but achievable.
- The vision is broadly held within the organization and consistently used to direct actions and set priorities.

Mission (Why we exist)
- There is a clear expression of the organization’s reason for existence in the form of a mission statement that reflects its values and purpose.
- It is broadly held and used within the organization to frame issues and strategies.

Overarching Goals/Outcomes
- Vision is translated into a clear, bold set of goals (up to 3) that the organization aims to achieve and translates into strategic benchmarks, which define concrete actions that serve to evaluate progress within well-defined time frames.
- Goals are broadly known and used within the organization to set priorities.

Business Plan
- Organization has a clear, coherent 3- to 5-year road map that identifies how it can generate the revenue to survive, its various lines of business, its competitive advantages, and its value proposition, i.e. what it does that creates a benefit otherwise unavailable to the community.
- Its financial projection is consistent with the overall vision, mission, and overarching goals. The plan is broadly known and helps drive day-to-day decisions.

Strategic Plan
- A plan is in place, which lists goals, objectives, and strategies that describe HOW to achieve the medium- to long-term goals identified in the business plan.
- Plan is brief, easily understood, and used broadly to guide management decisions.
- A strategic planning process is in place to link strategic planning activities to annual operating plans in the form of goals, objectives, and strategies. It results in measurable, genuinely demanding performance targets that are linked to annual operating aspirations, strategies, and desired outcomes, i.e. doing the right things rather than things right.
- Annual operating targets also are linked to staff performance expectations and reviews.
Financial Development Plan
- A financial development plan is in place that is consistent with the organization’s business and strategic plans as well as its annual operating goals and targets.
- The plan links annual operating goals and targets with board/staff responsibilities and, ultimately, performance reviews.

Processes
- A clear and well-designed set of operating procedures are in place to support decision-making, planning, and reviews to ensure effective functioning of the organization.
- Procedures are in place to monitor the landscape and remain current on relevant players and alternative models in the program area.
- A common set of basic beliefs and core values are shared throughout the organization, providing clear direction for behavior and support for the overall purpose of the organization.

B. BOARD LEADERSHIP

- Board members clearly understand their legal, fiduciary, and governance roles and responsibilities within the organization. They sign a written contract to fulfill their roles and responsibilities.
- Board is actively engaged by attending monthly board meetings and providing direction, support, and accountability to staff leadership through clear goals and policies. It serves as a strategic resource in full support of the executive director.
- Board members help define and monitor the executive director’s performance targets and conduct annual performance evaluations to insure professional development and competitive compensation.
- Board members are actively involved in the strategic planning function, including the preparation and review of multi-year financial plans, plus monthly reviews of financial statements.
- Board members embrace fundraising as a core board role and responsibility; each member makes an annual donation that is personally significant.
- Process is in place to identify, recruit, and develop effective board leaders. It includes targeted recruiting of new members with specific skills and attributes that result in a board with a broad variety of fields of practice and expertise that reflect the organization’s stakeholders and community.
- New board member orientation is in place; there also is a formal process for board performance evaluation against goals and expectations set by the board.
C. EXECUTIVE DIRECTOR LEADERSHIP

- Is experienced in nonprofit management with many distinctive capabilities, including social entrepreneurial-like qualities and people skills to inspire others. Highly committed; lives the organization’s vision.
- Has the ability to see the wisdom of working with and through others to maximize leverage to achieve the organization’s mission. Is able to initiate and sustain strategic collaborative relationships outside the organization.
- Actively works to better oneself and has a record of learning and personal development. Has the ability to nurture future leaders and let others make decisions and take charge.
- Has sound financial judgment and considers financial implications of decisions, particularly in balancing the dual mission of social impact with financial efficiency.
- Has sense of urgency and ability to communicate to inspire action and achieve goals.

D. FINANCIAL MANAGEMENT

- Sherwood Trust’s Financial Statement Guidelines are in place and being used.
- Financial position reflects:
  - Unrestricted cash available to meet obligations and investment needs.
  - Board-designated operating reserve to cover at least 6 months of expenses.
  - Board-designated building reserve consistent with planning model.
  - Most assets are unrestricted; restricted assets are justified.
  - Operations reflect trend of positive net income and cash flow.
- Accounting system and procedures are in place to:
  - Ensure revenue is deposited and bills are paid.
  - Track and report all activities through a general ledger system with a comprehensive chart of accounts.
  - Ensure all accounts are reconciled each month.
  - Track and allocate joint or indirect costs to individual programs.
- Financial planning system is in place to:
  - Integrate all accounting functions with budgeting and organizational goals.
  - Identify and monitor key financial performance indicators monthly.
  - Monitor and review monthly cash flow in conjunction with other statements.
  - Collect, review, and actively compare current year and multi-year trend data.
  - Track and analyze cost center data on a regular basis.
- Internal accounting controls and policies are in place to:
  - Provide fully secure accounting data storage and retrieval system.
  - Ensure authorized check signers are not involved in check writing, bookkeeping, or reconciliation.
  - Control access to checks; prohibit signing blank checks and checks for cash.
  - Ensure counter signatures where appropriate.
  - Ensure the deposit of cash receipts by staff not responsible for recording and reconciling bank deposits.
E. FUND DEVELOPMENT

- A multi-year, **financial development plan** is in place outlining and managing to target goals that are integrated into budget projections. Specific responsibilities are assigned with completion dates. There also is an emphasis on revenue diversification and evaluation of costs and effectiveness of each fund development strategy.

- **Funding stability** is in place based on diversified funding across multiple source types and maintenance of a large and active individual donor base. There also is a sustainable focus on developing an endowment with an **investment policy**.

- **Fundraising infrastructure** is in place, including:
  - Secure donor management system to track prospective donors and donor history.
  - Capacity to segment donors for targeted appeals and analyze results.
  - Ability to integrate fund development with accounting system and budgeting/planning process.
  - Adequate staffing dedicated to the fund development function with emphasis on the executive director representing the face of the organization and receiving proper board support.

- The organization’s approach to fund development is **donor-centered** by being integral to the organization’s culture and programs. It is not a stand-alone function of management and does not distract from creating social impact.

F. PROGRAM DESIGN & EVALUATION

- A **scorecard system** in place to measure the organization’s performance and progress in delivering programs, including the social, financial, and organizational impact of each program and activity. There is a small number of clear, measurable, and meaningful key performance indicators for each program.

- Programs and activities are well defined and fully **aligned with mission** and goals. Programs are clearly linked to one another and to overall strategies.

- A **review system** is in place to assess gaps in ability of existing programs to meet recipient needs with the capacity to adjust and innovate.

G. HUMAN RESOURCES

- Concrete, realistic, and detailed HR **procedures and plan** are in place and effectively used. A specific staff person has responsibility for HR and has access to HR expertise on an as-needed basis.

- A well-planned process to **recruit, develop, and retain key staff** members is in place, particularly in regard to training. Consistent performance appraisals are institutionalized, linked to the organization’s goals, objectives, and strategies, and effectively motivate staff to over-deliver in their jobs.
• All staff have clearly defined core roles and responsibilities, which must be achieved and allow discretion where individuals can show initiative and try to make a difference. Core roles are defined in terms of end-products and services rather than activities.
• All core staff positions are filled. There are no vacancies and little turnover.
• An effective system is in place to recruit, train, and retain volunteers to do vital mission-based activities and contribute to the overall success of the organization.

H. INFORMATION TECHNOLOGY

• Telephone and fax facilities are accessible by all staff, including around-the-clock individual voice mail.
• Fully networked computing hardware is in place with comprehensive and up-to-date software applications. Staff has individual computer access and e-mail.
• An interactive web site is in place that is regularly maintained and kept up-to-date on latest area and organization developments.
• Electronic database and management reporting systems are in place that track program outcomes, members/clients, volunteers, and financial information.

I. MARKETING AND COMMUNICATIONS

• Organization has a packet of marketing materials that are used consistently and adhere to clear branding standards for color, logo, etc.
• A communications plan is in place that reflects knowing who its stakeholders are and what they value.