



River Voices

Building a Sustainable Watershed Organization:

Keeping Your Group Fit for Life

By Wendy Wilson, River Network - Organizational Development Program Director

No group is perfect. New groups struggle to get started while older ones fight bad habits. Communications can break down and volunteers can become overextended. People may ignore problems for years until the money runs out or a project fails. Suddenly tensions flair. If underlying organizational problems are not addressed in a thoughtful process, people may leave and the organization may dwindle.

Many groups have faced these kinds of challenges and thrived! The story of one such group, the South Yuba River Citizens' League is featured in this issue of *River Voices*. You too can avoid organizational burnout and start an organizational development program that meets your needs.

If you were to begin a personal fitness program, you would meet with a physician to set goals based on age, gender and athletic abilities. Similarly, creating an organizational development program should be based on your mission, resources and realistic expectations. Every group is unique and so will be your specific organizational goals.

Models for Sustainability

A *sustainable organization* has the structure, mission, human and financial resources to fulfill its mission on an ongoing basis. No one person or funding source is indispensable to a sustainable organization. Although many groups elect to become a nonprofit organization, sustainability is not restricted to such groups. Each type of organization has its strengths and weaknesses. The appropriate organizational development program will depend upon what kind of group you are trying to build.

- **All Volunteer Organization.** Many staffed organizations begin as all-volunteer organizations. Some groups, for various reasons, elect to remain all volunteer. Perhaps they lack funding opportunities, or prefer an informal structure, or see that the mission of the group can be achieved without staff. But, as the initial volunteers move on, it may become difficult to recruit new leadership, momentum and

"Doctor OD" is a composite of several experts in organizational development, and a dramatization...*

*Dear Doctor OD,
I've boated and fished my hometown river a lot, so a group of friends nominated me to be their leader. My first step is to start a nonprofit organization. Some buddies agreed to be on the board and come to an occasional meeting. I've never actually run a group before. I'm not interested in bureaucracy or planning or structure—I just want to save my river. How hard can it be?*

– Wet Behind the Ears

*Dear Wethead,
Welcome to the exciting world of Organizational Development. You and your friends are about to learn the joys and trials of building an organization together. How hard can it be? No harder than running a Class V rapid in a rubber raft full of barnyard animals. So, good luck and don't forget your life jacket!*

– Doctor OD

**Organizational Development*



River Network

Connecting People, Saving Rivers

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NATIONAL OFFICE

520 SW Sixth Avenue, Suite 1130 • Portland, OR 97204-1511
503/241-3506 • fax: 503/241-9256
info@rivernetwork.org • www.rivernetwork.org

D.C. OFFICE

3814 Albemarle Street NW • Washington, D.C. 20016
202/364-2550 • fax: 202/364-2520
DC@rivernetwork.org

VERMONT OFFICE

153 State Street • Montpelier, VT 05602
802/223-3840 • fax: 802/223-6227
VT@rivernetwork.org

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Editors: Katherine Luscher

Editorial Assistance: Jean A. Hamilla

Design & Layout: Greer Graphics

From the President

Watershed stewardship requires eternal vigilance. The protection work of this generation means little if it can be easily squandered in the next. Restoration work often requires years or decades to solve problems that were created over decades or centuries. Monitoring and education must be ongoing as long as there are people living in and using a watershed.

Consequently, some of the most important conservation groups are those organized for watershed stewardship *over the long term*. The needs they meet are not ephemeral. They must not be either.

At River Network, we devoted the bulk of our early efforts to helping watershed stewardship groups get started. Today, we devote most of our efforts to helping groups become strong, stable organizations that can be consistently active and effective over the long haul.

This work takes many forms. One of the newer ones began to take shape a little less than two years ago, when we convened leaders of a couple of dozen organizations from across the country to discuss two questions. First we asked “What are the common characteristics of strong, stable, effective watershed stewardship groups?” Then we asked “What can we do *together* to help many more groups develop these characteristics?”

The answers to these questions suggested an entirely new way of working for River Network and the groups with which we collaborate. Today, we are working closely with the Institute for Conservation Leadership and with partners in four states—Colorado, Wisconsin, New Mexico and Ohio—to establish a new model for organizational development support. Together, we are assessing needs of watershed stewardship groups in the region, developing new programs and techniques to meet those needs, and coordinating our service delivery. The result is a much more powerful support system for watershed groups in these states—and a model that we can build on in many others over the next few years.

Many of the principles we are promoting today are highlighted in this issue of *River Voices*. We hope it will be useful to you as you build a group that is a perennial force for good.



credit: River Network

Fit for Life, cont.

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“Our work is too important to spend time inspecting our navels!”

“My role in this organization is technical, not financial.”

“Fundraising is why we hired staff.”

If these quotes could have come from your last board meeting, it might be time to take STEP ONE in the organizational development process.

enthusiasm. Some groups find it hard to fundraise without tax status and staff to conduct programs.

- **Nonprofit Organization.** As an independent nonprofit organization, your group can maintain a lot of autonomy. You can develop a set of goals under a strong board of directors and can access a core group of volunteers. You nonprofit status will also open many funding opportunities—from foundations to individuals who can make a donation and receive a tax deduction. However, in smaller communities there may not be enough local support for your group to raise money and grow into a staffed organization.
- **Quasi-governmental Organization.** Many groups are supported through multiple agencies. This model is frequently used for government-level watershed planning and coordination. These groups seek support from independent nonprofits, while relying on their quasi-governmental status for financial appropriations, bonding or taxing authority. Possible challenges for these groups include difficulties attracting private donations and difficulties crafting strong messages around watershed protection that includes land development or public works.
- **Agency Project.** A watershed conservation effort can be a project of a governmental agency. This model provides clear lines of authority and potentially some staff, office space and a fairly secure budget. A potential weakness of this model may appear over time if the volunteer leadership begins to conflict with the agenda of the supervising agency. Some groups have found it hard to maintain the public perception of independence while working under a government umbrella.
- **Coalition.** The strengths of both formal and informal coalitions lie in the potential for broader public outreach, non-traditional allies and the opportunity to leverage financial resources. The challenges of operating as a coalition are many: conflicting mandates among and between the participating organizations; unequal resources contributed by members; coalition staff trying to work for multiple bosses; disagreement on purposes or goals; and a lack of ongoing funding.
- **Hybrid.** A hybrid group is a non-adversarial stakeholder group operating as a project of a nonprofit group or public agency. The strength of this model is that the group can focus on the task at hand, and as one participant explains, “not waste time throwing grenades at anyone.” Weaknesses can surface when participants have different motivations, authorities are unclear, there is a lack of accountability or when groups perform inconsistently.

The Organizational Development Process—Steps Towards Sustainability

Like a person in a fitness program, your group will need discipline and a process for organizational development. It will take time in *every* board meeting, funding in *every* year’s budget and the active involvement of *everyone*. The group can do it, but it will be less successful if some members won’t participate, don’t support your internal goals or insist on “splurging” for new programs that distract from your internal goals.

Step One: STEP BACK AND ASSESS

At your next board meeting, take the time to engage the entire board and staff in an organizational assessment. It will take at least an hour—more if you start a formal “benchmarking” process. (see page 30) You could have everyone in your group fill out an assessment form. (see page 28) Some groups choose to get help from an external evaluator. Whatever assessment process you use, you will want to honestly discuss your strengths and weaknesses. Ask each other “Where are we today? And, where do we want to be?” in these six organizational areas:

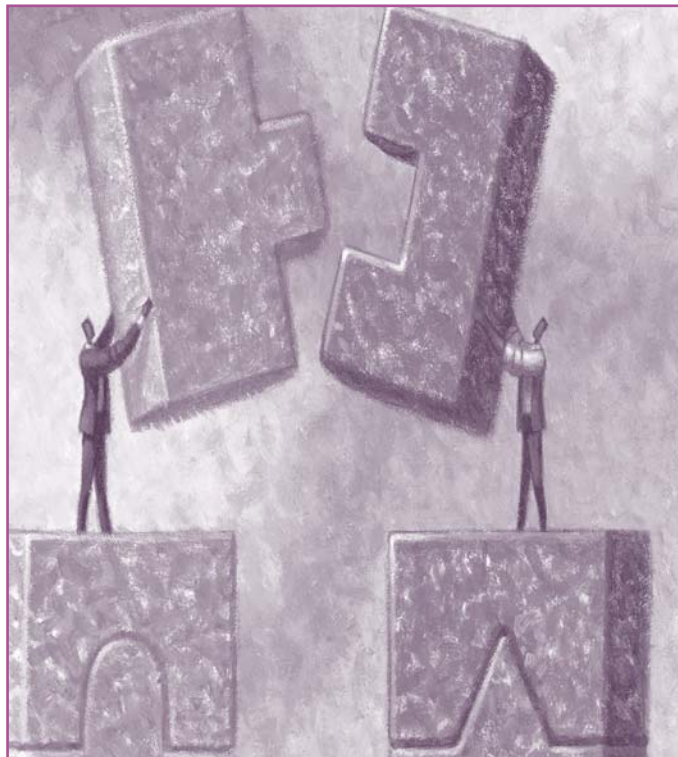
- I. **Programmatic.** Do we have a strong program plan and strong, community-supported programs?
- II. **Leadership.** Do we have strong and experienced leaders on the board or other governing body?
- III. **Structural.** Do we have a clear structure and decision-making processes for board, staff and volunteers to work within?
- IV. **Fundraising.** Do we have enough unrestricted income to support basic operational costs and adequate resources to allow growth?
- V. **Managerial.** Do we have efficient and effective administrative systems?
- VI. **People Power.** Do we have skilled and satisfied staff (if it is a staffed organization) or volunteers who are excited by the mission of the organization?

Step Two:

SET DEVELOPMENT PRIORITIES

At the following board meeting, your group should decide which of the six organizational areas listed in Step One are the most important right now. Establish measurable

objectives in the most important areas. Perhaps getting 20 new volunteers tops your list. Maybe finding 50 new members is a priority. Choose no more than three areas at this time and agree on which areas you will address later. Go public with your



priorities and commitments. Write them in your board minutes and announce them in your newsletter. You have taken an important step by prioritizing your most significant challenges, recognizing them as a group and making an organizational commitment to address them.

Step Three:

DETERMINE YOUR ACTION PLAN

Once you’ve set development priorities and objectives, it is time to identify the specific steps your group will take, including finding needed resources, staff and board involvement and a timeline. Everyone should be involved with developing this action plan. Ask every board committee to

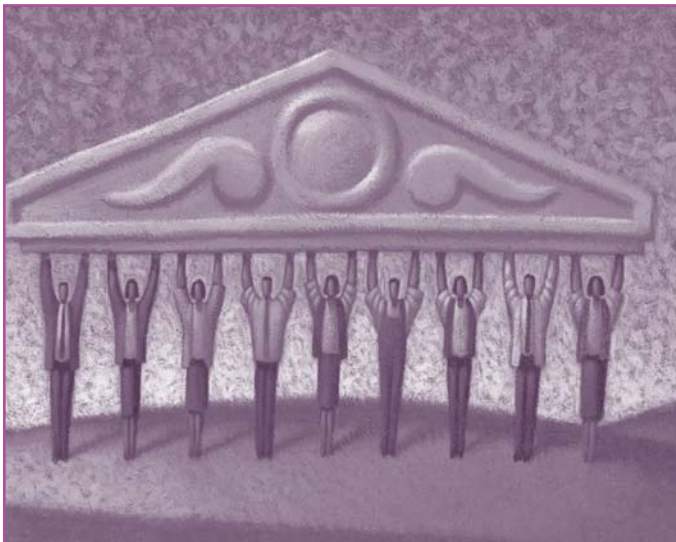
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Fit for Life, cont

contribute ideas. Individual board members should write down how and when they will help. Have one person gather these plans and report back. It is critical that actions in the plan be delegated to specific people who know they are responsible and expect to be held accountable.

Step Four: INTEGRATE YOUR PLANS

Your strategic plan and fundraising plan should be updated to include your new organizational objectives. If you set a goal of increasing your membership by 50%, make sure your newsletter production and distribution costs are raised accordingly and that the fundraising committee knows what they are required to do. Groups tend to focus on objectives when they know they will have to write a report. This is why “challenge grants” work to get boards to fundraise. In Step Two, we suggested that you announce your goals to your membership and set a tone of accountability. Be sure to report to funders when you meet an internal objective. Your supporters like to know when you are successful.



Step Five: IMPLEMENT PLANS AND LOOK FOR SUPPORT

Make sure every board meeting includes time to report on the progress of organizational objectives, as well as, your programmatic objectives. If action items start to slip, consider bringing in consultants or trainers to help. Successful groups get in the habit of seeking assistance and taking advantage of outside resources. If board members feel uncomfortable asking for money, set up a fundraising training workshop through River Network or another resource group.

Step Six: MONITOR, EVALUATE AND REDIRECT

The hardest part of being on a board is letting someone down or not coming through for the group. Too often groups don't discuss disappointments or acknowledge when someone isn't performing. Having a formal check-in can break the ice and allow people to ask for help or simply declare, “Oops, I forgot to do that.” When something isn't working as planned—perhaps a mailing doesn't get the response rate you expect or a public event fails to attract new volunteers—it is time to redirect, seek outside advice or change methods.

Step Seven: REASSESS

Organizational fitness is a lifetime effort. Once a year, schedule a check up where you look back over your assessment of the previous year and see how you have changed. Did it work? What was your next priority? Are you ready to take it on next? If your organizational development process is working, you will be several steps closer to the goal of sustainability: less dependent on any one funding source, enjoying more public support and celebrating your victories with more people.



The Stages of Organizational Development

In many ways, taking on the responsibility for managing and building an organization is like assuming the duties of parenthood. It's often easy (too easy) to accept the mantle of responsibility, whether or not we're really prepared for the job. And what it means to be *really prepared for the job* usually only becomes evident in hindsight, when we realize that leading an organization often requires not only good will and average ability (which we were told) but also patience and commitment verging on the superhuman (which we were not). And so many of us find ourselves in positions of leadership, painfully committed to the organizations we're nurturing, stretched to the limit of our own capacities, and wondering how our involvement can be so rewarding and so exhausting at the same time.

How can leaders best help their organizations resolve problems? Like good parents, it often helps leaders to remember that many of these difficulties are "phases" of sorts, and that many organizations will pass through them and move on, if the challenges are handled well. First, this approach helps leaders calm down and take a long-term view. And second, in our experience, there is a general pattern of maturation that many (although not all) organizations follow, each in their own way, and that helps to predict the kind of difficulties that may arise. We call this pattern the "Four Stages."

This model doesn't apply to every organization, and there probably isn't even a single organization which fits it exactly. For example, most of the leaders we work with don't aspire to the "institutional stage" and some don't even want to move past the "volunteer" stage. Building on both our experience and existing models, the Institute's "Four Stages" model looks like this:

By Baird Straughan
Institute for
Conservation
Leadership
Condensed by
Katherine Luscher
River Network

Excerpted from
*Four Stages and Four
Challenges of
Organizational
Development*

For complete article, visit:
<http://www.icl.org/resource-center/articles.shtml#four>

Four Stages & Four Challenges			
Volunteer	"The Leap"	Shared Governance	Institutional
An individual leader or a small group has an idea and forms an organization, run by volunteers.	Board decides to hire staff — generally the first executive director - or - The leader raises funds for own salary & forms board.	The board assumes the governance of the organization and delegates administration of programs to the executive director and staff.	The executive director and staff assume more responsibility for the organization's direction. The growing board focuses mainly on fundraising and community support.
<i>Primary challenge:</i> Maintaining programs without on-going funding or professional staff.	<i>Primary challenge:</i> Developing a systematic, effective way for the board and staff to support and work with each other.	<i>Primary challenge:</i> Developing effective systems to delegate more authority for growing programs effectively.	<i>Primary challenge:</i> Remaining responsive to the needs of the population served.

This isn't a rigid progression. Many organizations may decide they're happy where they are. Some may wander from Volunteer to Shared Governance and then, having found it too difficult to fund a staff position, return. Some may stay in "The Leap" for years. But the model does raise some interesting questions, and, in doing so, helps leaders better assess their own groups and initiatives.

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Four Stages & Four Challenges, *cont.*

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Let's consider how these stages develop.

Volunteer

Some organizations are begun by a single, visionary founder who leads the way and assembles around him or herself a group of less energetic persons who are willing to legitimize and support the founder. Karl Matthiasen III, a leading nonprofit expert, terms this a “following board,” in the sense that it follows (and often defers to) a strong leader. Alternatively, an organization may arise from an energetic group of founders, who function more democratically and share responsibilities more fully. Matthiasen terms this a “leading board.”

In the case of a strong leader and a “following board,” the brunt of the organization's initial work typically falls on the leader, and assistants whom he or she has recruited. In the case of a leading board, board members and other volunteers usually pitch in, with enthusiasm and without much formal structure. In either case, the group may contract short-term staffers for projects, when funding is available. When the money runs out, the organization returns to its volunteer mode. Many will later remember this volunteer period as a honeymoon, when everyone works together equally, before more complex organizational difficulties emerge. It is often during this informal period that the group bonds and many of its cultural norms are created.

The challenge, of course, is that it's hard to maintain a high level of on-going activities for a long period. Many environmental and conservation organizations are formed in reaction to impending crises—the destruction of a valuable wetlands, or perhaps an upcoming opportunity. The urgency of the situation motivates the volunteers, but with time, it becomes harder and harder to find leaders who will dedicate the time and energy necessary to coordinate the activities needed for long-term success. Eventually, many organizations begin looking for paid staff to maintain the pace and continuity of their effort.

However, many organizations stay in this volunteer stage, especially those which mount only a few activities organized by volunteers. Many paddling groups (and other recreational groups) live happily in this stage, maintaining their leaders over many years, and continue indefinitely without ever hiring staff.



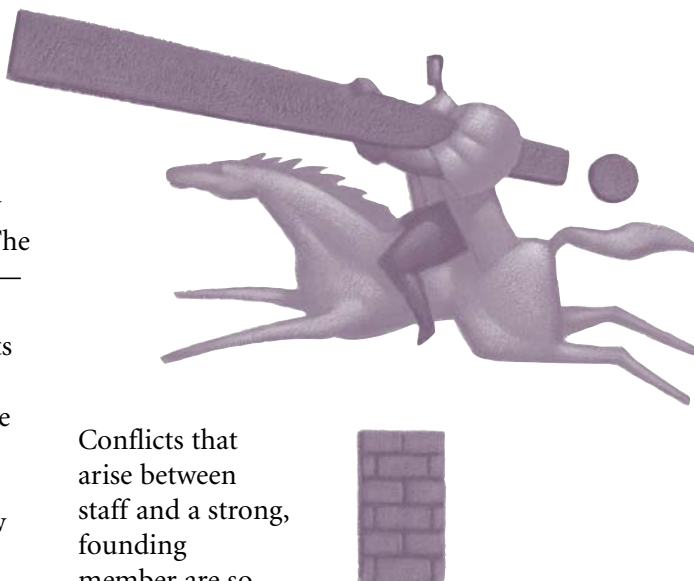
“The Leap”

The decision to hire salaried staff radically changes the way the organization works. The board now assumes a very large challenge—to learn to work with and to support its newly-formed staff. The day that it signs its first long-term contract, it must assure a steady enough source of revenue to pay the salary. At the same time, it must now delegate authority to the new staffer, and also share power with that person as a new leader. The financial responsibility usually causes board members most anxiety, but it’s often the new working relationship that proves more difficult.

There is one overriding truth about giving birth to a professional, staffed organization: it is hugely rewarding, something like raising a child and even more demanding. The late-night phone calls, the first wrenching staff problems, the personality issues as the board’s role shifts, all the unforeseen crises that arise as the organization puts systems in place—these demand a level of commitment never compensated by the meager paychecks for the staff or the occasional recognition of the founding board members. Most organizations survive “The Leap” thanks to the dedication of a few leaders; these people are the keys to their organizations’ future.

“The Leap” is often a turbulent phase. A following board will frequently lend its moral support to the leader, allowing him or her substantial leeway, often without assuming any real responsibility for guiding the organization. If the leader becomes the new executive director, a following board is usually content to sit by and watch the leader raise funds to meet his or her own salary, but seldom leaps in to help fundraise. Nor does it often provide much oversight, unless forced to do so by a major crisis.

If the strong leader does not become the first staff hire, a following board may allow the leader to dictate to the staff member.



Conflicts that arise between staff and a strong, founding member are so common that they lead to the resignation of many first-time executive directors. In some cases, an organization may go through two or more executive directors before it finally recognizes the source of the problem and clarifies board and staff responsibilities, providing direction in a more systematic and productive manner. The executive director can hasten this transition by taking a proactive, non-threatening role to help the board evolve. The difficulties associated with overly controlling long-term leaders are common; specialists have coined a term to describe them: founderitis.

With a leading board, usually composed of dedicated activists, a strong sense of ownership is felt. They may be reluctant to hire staff, since they may not want to share power, or they may simply enjoy the tasks they perform. In some cases, board members may want to be the staff. They maintain a strong, even overbearing interest in the details of the organization’s program. When they do hire, they may choose not to invest full authority in an executive director, but instead to recruit a “coordinator” or “general secretary” or “administrator.” The titles are indicative of the dynamic—a strong board that feels ownership may not truly want a “director,” but rather a person to help with logistics. In fact, in our experience, the first staffer

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Four Stages & Four Challenges, *cont.*

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becomes the de facto executive director, assuming the responsibilities whether or not the board delegates the formal authority. And this can lead to tensions.

The board's ambivalent feelings about hiring staff are often reflected in the staff's experience. The first staff under a leading board typically resents board "micromanagement," especially since many board members are directly involved in program activities, and may seek to administer those activities as they did in the past before staff was hired. (This situation also often evolves into "founderitis.") Not only does the staff want less board involvement in details, it often desires more "big picture" guidance, the sort of long-term planning which would allow it to prepare for the future and to evaluate the effectiveness of its work. The board, enamored of the on-the-ground work, may not want to do the vision thing.



The Shared Governance Stage

After several years in existence, organizations usually reach a certain maturity. They may have one or more successful programs run by the staff, which cover the salaries and achieve some of the goals for which the organization was created. The board is shifting its focus to fundraising, oversight, and setting policies and goals. The executive director administers the staff and programs and exerts increasing influence on the organization's general direction. The executive director and the board president emerge as the organization's "leadership team"—hence the term, "shared governance."

In this stage, the board typically begins to focus inward on its own performance. Many boards reach out to new, important stakeholder groups that need to be represented. Community relations and visibility become a more important board function, as does fundraising, often led by a development or fundraising committee. The size of the board, and the growing number of issues, require that much of the board's work be done in committee. The leadership role of the board chair, as a coordinator and manager, grows in importance.

The executive director's role also changes substantially—from being directly involved in program work to spending increased time in staff and board management, fundraising and administrative processes.

Organizations which began from single funding sources begin to diversify their funding base. Many people in the conservation community look upon fundraising as unappetizing. Most prefer

to segregate fundraising from their programs, a sure kiss of death for the fundraising. But, sustainable organizations diversify and integrate fundraising into their work in a way that the staff and volunteers can accept and support.

Organizations usually arrive at the "governing" stage with growing programs. The board typically views expansion as a sign of success, though some board members may begin to worry about the consequences of growth. The expansion of the program, or of program opportunities, often triggers a decision to begin strategic planning.

If staff members aren't dedicated to maintaining volunteer participation, many will find it easier to rely on paid professionals instead. As a result, many organizations neglect their volunteer programs. As such, they often develop fewer volunteer leaders, and thus fewer candidates for the board, and consequently board renewal may begin to suffer.

The expansion of staff and activities usually requires a new administrative superstructure and new management systems, such as personnel and board management policies, insurance and computer networks. To account for their costs, organizations begin to track staff time, or at least apportion it across multiple projects. As soon as they do, they begin to notice the amount of time and effort dedicated to administrative costs, and begin the difficult process of developing systems for estimating and charging overhead.

The Institutional Stage

Relatively few environmental organizations pass into the "Institutional" phase, more commonly associated with long-established organizations and institutions such as universities, hospitals, and cultural organizations. Perhaps the kind of persons attracted to most environmental and conservation groups are inherently uncomfortable with large, corporation-like institutions and their levels of administrative superstructure.

Institutional boards are typically large, numbering up to one hundred people. They usually function in committees and typically focus on fundraising, and they often set contribution goals for their individual members. The executive director's time is typically dedicated to administration, fundraising, and the duties of representing the organization.

The diversity of programs requires more specialists. Individual projects are frequently

assigned to different departments, which often function like microcosms of the whole institution, and may compete among one another for resources. Having successfully integrated fundraising into its operations, staff becomes comfortable with fundraising, and some staffers specialize in it. As the program grows, the organization can address its programmatic goals on multiple fronts, and benefits from the synergy of coordinated efforts. The organization achieves real influence. On the other hand, as the program diversifies, it often becomes more difficult to perceive its central thrust, or to measure its cumulative impact.

Large institutions typically have formal hierarchies, lines of communication, and career paths. These systems sometimes grow to the point that they may begin to stifle creativity. A tension between the organization's culture and its mission may arise.

The On-Going Challenge

When organizations find a stage at which they're comfortable, the long-term challenge for most of them is more or less the same: remaining responsive to the needs for which they were created. External changes in the world around an organization will often require internal shifts, if the organization wants to continue to deliver service efficiently. Internal changes will also require adjustments in other parts of the organization.

Once organizations have reached a certain maturity, it's much less easy to predict what sorts of transitions lie ahead. The only certainty is that something will change, however. And organizations which have embraced the challenges during their growth will be better prepared for the new, inevitable, challenges which await.



In the Great Lakes & Southeast:

Nonprofit Organizational Capacity

By Lois R. DeBacker
Director-Environment
Program
C.S. Mott Foundation

There is something magical about rivers, streams, wetlands and lakes. They define landscapes, shape regional culture and support diverse life. Their beauty can mesmerize us and time spent near their waters can renew our spirits.

When the ecological integrity of these special places is compromised, we are drawn to defend them. Citizens are volunteering to protect the freshwater ecosystems that contribute to their quality of life, and nonprofit organizations focused on river and watershed protection are growing in number.

Since 1999, the C. S. Mott Foundation has had an explicit interest in building the capacity of nonprofits working to conserve freshwater ecosystems in two particular geographic regions—the binational Great Lakes basin and portions of the southeastern United States. (*Information about Mott's environmental grantmaking can be found at www.mott.org.*) Over the past few years, foundation staff and others interested in capacity building for environmental nonprofits found that very little hard data were available concerning such groups' organizational capacity or their technical assistance needs. To learn more, the Mott Foundation commissioned a survey in 2003.

Designed with input from nonprofit leaders from the Great Lakes and Southeast, as well as national experts in organizational development, the survey posed questions about an array of topics relevant to nonprofit organizational capacity, including human resource capabilities, strategic planning, governance practices, financial management, funding sources, communications and information technology. Selected findings from the research are described below. (*A complete report of survey findings will be posted on the*

Mott Foundation's website in the fall of 2004.) While the findings are specific to groups in the Great Lakes and Southeast, they may pose food for thought for groups in other regions, as well.

Why Care about Organizational Capacity?

Before delving into the survey findings, it's worth taking a moment to explain the Mott Foundation's interest in organizational capacity building. Throughout its history, the Mott Foundation has viewed nonprofit organizations as important vehicles for citizens to work together on behalf of their communities.

Typically, environmental nonprofits are formed when people identify a problem they want to fix or a resource they want to protect. Most often, achieving a group's goals requires a long-term effort. Change doesn't come quickly, and continued vigilance is required.

While the leadership of one or more dedicated and visionary individuals is essential to the success of a nonprofit organization, it is insufficient. Building a strong board of directors, defining a clear mission, growing a committed base of members, making effective use of volunteers, diversifying sources of financial support, recruiting and developing good staff, and implementing strategic program priorities all help set the stage for the long-term success of an organization.

Given that there are no quick fixes for the problems that threaten freshwater ecosystems, it's critically important to build stable and sustainable river and watershed organizations that can remain effectively engaged over the years.

Demographics of Respondents

A total of 758 organizations involved in work related to conservation and/or

restoration of freshwater ecosystems, representing 30 percent of those contacted, responded to the Mott-commissioned survey of nonprofit organizational capacity in the Great Lakes and Southeast. Of those, 538 were organizations with paid staff, and 200 were all-volunteer organizations. The majority of the organizations (54%) were established between 1990 and 2003.

Respondent organizations were relatively small, as measured by either budget or staff size. Of those with staff, 61 percent had budgets of less than \$250,000 per year, and 35 percent had budgets of less than \$100,000 per year. Of the all-volunteer organizations, 89 percent had budgets of less than \$25,000 per year. Of the staffed organizations, 77 percent had fewer than 10 full- or part-time staff, and 46 percent had fewer than four full- or part-time staff.

Organizations responding to the survey used a variety of methods to achieve their goals. Education (defined to include public education, environmental education and school programs) was the most frequently used method, employed by 85 percent of respondents, followed by advocacy (including policy research and analysis, lobbying, litigation, grassroots and/or community organizing, and issue/political campaigns), which was employed by 64 percent of respondents. Respondents also pursued habitat acquisition, restoration, and/or protection (52%), scientific research or data gathering/analysis (49%) and outdoor recreation (30%).

Selected Survey Findings

The survey generated a vast amount of information, only a fraction of which can be reported in this article. Selected findings include the following.

Strategic planning is widely employed by staffed organizations working on freshwater ecosystem conservation. Nearly 73 percent

of staffed organizations responding to the survey reported having a current written strategic plan to guide their activities over a multiyear period. Of those, 78 percent said that their board of directors reviewed progress against the strategic plan at least annually.

All-volunteer organizations were much less likely to have current strategic plans, with 38 percent reporting that they did.

All-volunteer organizations reported having smaller **boards of directors** than did staffed organizations, and their boards met more often. The median number of board members for all-volunteer organizations was nine, while the median number for staffed organizations was 13. Of all-volunteer organizations, 62 percent reported that their boards met six or more times per year, with 45 percent meeting 10-12 times per year. This contrasts with staffed organizations. While 52 percent of staffed organizations reported that their boards met six or more times per year, the most typical frequency of board meetings for staffed organizations was three to five times per year (35%).

Nearly 48 percent of staffed organizations reported having **term limits for board members**. Almost 36 percent of staffed organizations reported that their board members had received **formal training on board roles and responsibilities** at some point during the past two years.

The survey gathered information about the **sources of funding** groups relied upon to support their work. Staffed organizations were much more likely than all-volunteer groups to receive funding from grants, and grant funding constituted a larger percentage of their annual budgets. Of staffed organizations responding to the survey, 91 percent received grant funding; grants provided, on average, 48 percent of

cont. on page 14

Nonprofit Organizational Capacity, cont.

cont. from page 13

their budgets. In contrast, 46 percent of all-volunteer organizations reported receiving grants; grant funding accounted for, on average, 21 percent of their budgets. Additional information on funding sources is provided in Figures A and B.

thirds of executive directors reported that they spent less than 50 percent of their time on management of their organization, including fundraising. Almost 70 percent reported that they had spent some time during the past year on professional development activities to improve the management of their organization. Less than half (48%) of the boards of organizations with paid staff had conducted a formal performance review of their executive director in the past year.

Figure A Funding Sources: Staffed Organizations		
Source	% that received funding from Source	Average % of budget from Source
Grants	91%	48%
Membership	70%	17%
Individual donors	72%	13%
Earned income (including interest)	64%	11%
Events	45%	5%

Change in Organizational Capacity Over Time

The survey offered respondents the opportunity to reflect on changes in their organizational capacity and effectiveness over time.

Despite the fact that the past couple of years have been financially challenging for many groups, staffed organizations were quite positive about their organizations' development between 1998 and 2003. On each area of capacity probed—including effectiveness in achieving program goals—more than two-thirds of staffed organizations reported that they were either "somewhat" or

Figure B Funding Sources: All-Volunteer Organizations		
Source	% that received funding from Source	Average % of budget from Source
Grants	46%	21%
Membership	70%	34%
Individual donors	67%	24%
Earned income (including interest)	37%	6%
Events	36%	9%

Staffed organizations were asked about *financial contributions from board members*. Only 40 percent of respondent organizations had received financial contributions from all board members during the past fiscal year. More than 10 percent of respondents had no board members contribute financially.

Staffed organizations also were asked about the *executive director's role*. Nearly two-

"much" stronger in 2003 than in 1998. All-volunteer organizations reported some gains in capacity, but with less frequency than their staffed counterparts. On each area of capacity probed, all-volunteer organizations were much more likely than staffed organizations to report that their capacity was the same in 2003 as it had been in 1998 or that they were "somewhat" or "much" weaker in 2003 than they had

been in 1998. Figure C displays the survey responses concerning change in capacity over time.

Capacity-building Technical Assistance Needs

Survey respondents were asked to identify their priority needs for capacity-building technical assistance. Not surprisingly, assistance with fundraising techniques was among the highest priorities for both staffed and all-volunteer organizations, as displayed in Figure D.

Figure C 1998-2003 Percent Change in Organizational Capacity						
	<i>Somewhat or much stronger in 2003</i>		<i>Same in 2003 and 1998</i>		<i>Somewhat or much weaker in 2003</i>	
	Staffed	All Volunteer	Staffed	All Volunteer	Staffed	All Volunteer
Governance	73.6%	56.7%	15.5%	31.7%	11.0%	11.6%
Strategic Planning	73.5%	46.8%	17.8%	38.0%	8.7%	15.2%
Achieving program goals	80.0%	59.5%	15.6%	27.8%	4.3%	12.7%
Collaborating with other nonprofits	77.0%	59.5%	17.3%	35.0%	5.6%	5.5%
Human resources/staffing /volunteers	80.2%	36.9%	10.0%	43.8%	9.7%	19.4%
Financial management	75.3%	39.1%	17.9%	52.8%	6.8%	8.1%
Communications & marketing/public relations	69.5%	50.0%	19.6%	36.4%	10.9%	13.6%
Technology	81.6%	58.5%	12.3%	32.7%	6.0%	8.8%
Fundraising	72.0%	41.9%	16.6%	43.1%	11.4%	15.0%



Figure D Priority Technical Assistance Needs	
<i>Staffed Organizations</i>	<i>All-Volunteer Organizations</i>
Major donor solicitation (63%)	Volunteer recruitment/development (55%)
Fundraising planning (54%)	Fundraising planning (48%)
Membership development (40%)	Membership development (45%)
Board skills (36%)	Grant writing (39%)
Strategic planning (30%)	Major donor solicitation (35%)
Grant writing (27%)	Strategic planning (29%)

The highest technical assistance priority for staffed organizations, identified by 63 percent of respondents, was for training in major donor solicitation. All-volunteer organizations identified volunteer recruitment and development as their most pressing need, with 55 percent of respondents selecting it as a priority for technical assistance.

Hats Off to the Technical Assistance Providers

The Mott Foundation is proud to support the work of capacity-building organizations such as River Network, the Institute for Conservation Leadership, Land Trust Alliance, the Environmental Support Center and the Sustainability Network. The foundation hopes that the findings of the survey of nonprofit capacity will aid those organizations in their work and will be of interest to the community of nonprofit leaders who work to protect the rivers, streams, wetlands and lakes that we all enjoy.



Is your group at increased risk of becoming “unsustainable”?

The 10 Warning Signs

1

Your financial person quits and no one can find the books. Both staffed and volunteer watershed groups must have strong organizational systems for governance, fundraising, finance and volunteer management. Your unique “system” might include a committee structure, an interactive website, a part-time employee housed in a larger organization or coordinated volunteers using a donated office space. Whatever it is, make sure that there are internal checks and balances and you aren’t dependent on one person.

You find the books and discover less than six months’ funding for operations in the bank. Most groups operate with less than six month’s funding, but say they would feel more confident with more of a cushion. Six months in the bank is a good goal, but if that is not immediately possible, make sure several people understand the finances and cash flow well enough to regularly review the basics. By doing so, you can generally stay out of trouble.

2

3

Your group is reliant on two funding sources. Many groups have a few big income sources but don’t work to develop smaller ones. When one source suddenly dries up, failure to plan ahead can generate an organizational crisis. All groups should have a multi-year fundraising plan and take small steps toward diversifying their funding sources.

Both of those funding sources are from outside your watershed, somewhere near Islamabad. They may have the big budget, but national foundations and other non-local funding sources—even governmental programs—tend to engage in short term romances. However, individual donors tend to make longer term investments with local causes. Developing strong local support is one key to your long term survivability.

4

5

Every penny you have is engraved with the word “restricted.” Unrestricted or “discretionary” money is key for an organization. Restricted funds must be used for the purposes stated by the donor, so the only money your board has to “spend” on developing your organization or new programs is raised from individuals or general support grants. Having a clearly defined mission statement and a base on small donors is your first step toward generating unrestricted funds.



You count up all of the money you get from individuals and it is less than two months' basic expenses. Many groups face several months of low cash flow each year, especially towards the end of foundation grant cycles. Try and build the percentage of your funds that come from individuals and move them “up the ladder” to become major donors for those crunch times.

You organize a board meeting and have three people to invite. Your organization deserves to have 8 to 15 committed leaders. The key to recruitment is having an active nominating process to identify candidates. If no one is in charge of nominations, if you don't have a nomination chairperson, you don't have a process. Additionally, all board members should be fully aware of their legal, fiduciary and moral roles and responsibilities.



It seems like no matter where you go, no one in town has heard about your organization. A long-term limitation for some groups is a lack of a clear direction, identity, visible products and services within their respective communities. Implementing an outreach or public education plan can transform your annual program activities into a long term money-maker.



You find someone that has heard about your work, but they think you fly black helicopters for the United Nations. No seriously! Some groups become frustrated by a lack of local acceptance of their work and hide from controversy. If you are publicly attacked, don't let bad publicity go unanswered. Look for ways to use it as an opportunity to clarify your mission, purpose and vision to your community. Your “target audience” will understand and appreciate your situation.

River Network invites your organization to a free fundraising training and no one has the time to go. We've heard you say: “We only have so much time to do our work!” Groups in greatest difficulty or financial need often develop a pattern of not taking advantage of support services. In the long run, this makes organizational problems worse. If you need help or advice, please ask for it.



An Experienced Board Member Shares Trade Secrets

All A'Board

By Liz Raisbeck
River Network
Board Member

Boards, boards, boards. Can't live with them and can't live without them. Why do nonprofits, especially small nonprofits like river groups, find boards to be such a "challenge" to put it politely?

I well remember my first experience being on a board. I felt so honored to be asked and showed up at my first meeting with much anticipation. We were presented with financials that looked a bit shaky and given an enthusiastic report on the wonderful accomplishments the organization was packing in. I felt a twinge as I looked at those financials, but no one else seemed to be overly concerned, so I stuffed that little pang right back in its box.

I didn't give much thought to what my roles and responsibilities to this organization were. There was no orientation or agreement to sign. Wasn't I supposed to show up four times a year and offer wisdom, since I didn't have wealth? And wouldn't that be enough? I knew that the board held the overall financial responsibility for the organization, but what that meant exactly remained a bit murky in my mind. I was totally committed to the program, and that really seemed the most important thing.

A few months later I got a call from the chair of the organization who said, "Liz, I'm calling to tell you that the organization is in dire financial straights, and I think we're going to have to close the doors. I'm calling an emergency board meeting next week to vote on this prospect."

This is the place you don't want be. Relatively new board member, weak understanding of what is going on in the organization or what your role is, dire crisis, small board of busy people with careers all pretty much in the same boat, and it's sinking—and you're sure don't know where the paddles are. And yet, this is an all too

familiar place for small nonprofits; for some reason very smart people all over the country board this very same boat.

Here's another scene I've witnessed as a river group coach: dynamic young river advocate steps in to take over a muddling-along river/watershed organization and begins to develop some new, compelling programs that are far more advocacy oriented than the organization's previous activities. The board is a group of friends who really enjoy getting together and sharing river gossip. Meetings are almost a social event. The board is very comfortable with its role of gathering to meet and go over the program and offer encouragement to the executive director. However, some board members are increasingly uncomfortable with the new advocacy that is creeping into the program. Others are feeling that with all these new program ideas, they are being pressured to fundraise, and that's not why they joined the board. Tension grows. The executive director gently tries to help the board get comfortable with new directions. The effort is exhausting, and she's starting to feel as though the board is a ball and chain around her leg. Why can't they share her vision?

Shore up that Weakest Link

My own anecdotal evidence is that boards are the weakest links of small nonprofits. I also believe that an organization rarely thrives as long as its board is uncertain of its obligations and functions, is minimally involved in fundraising, and doesn't understand clearly where the bright line should be between board role and staff role. This weak link can snap when the executive director, no matter how talented, doesn't understand the vital importance of the board to his/her organization and therefore doesn't invest the right kind of time with the board. Executive directors wear so many hats and have so many demands on their

time that it is very tempting to let board relations, and especially board development, slide. It just seems a far less urgent item than the mini-crises popping up on a daily basis, and frankly it can feel pretty thankless, right?

Find the Right Recipe for Change

Scratch the surface of a truly successful organization, and you will find a truly engaged board, almost always. Here is the Raisbeck recipe for successful board relations:

1. The **executive director** is deeply committed to building a strong board, and he/she sets aside the time to spend on the phone and in person with key members of the board, finding out what their interests are and helping them to design a simple workplan for the year.
2. The **board chair** is equally committed to building an engaged board in partnership with the executive director. The chair works with the executive director to accomplish #1.
3. **New board members** go through an orientation that informs them about the programs, but also includes in-depth discussion of the board's roles and responsibilities and the organization's basic expectations of every board member. New board members sign a board policy document that specifies these in writing.
4. A deep **culture of partnership** is established between board and staff. Board do not see their role as telling staff what to do, nor do staff see their role as trying to keep the board in a box. Instead, both board and staff see their relationship as a partnership to problem-solve together to build the organization, with both sides having a clear sense of their roles in that effort. This is a bit like the magic of

transforming separate ingredients into the miracle of a loaf of bread. It's not precise, and don't let the dough get too hot or cold.

5. The board commits to a **fundraising plan** for itself for the year and every board member understands fully that he/she has fundraising responsibilities as a board member. Whether wealthy or not, every board member can recruit dollars to an organization. If some board members are allowed to think that's somebody else's job, the unity of the board in pursuit of organizational health will be jeopardized and the board will not fulfill its potential.
6. Finally, if the board is weak, mucks about where it doesn't belong and/or doesn't fundraise, **develop a strategy** to change it. It will probably take two years, and is well worth it.

It's a simple recipe, but it takes a master chef to whip it up. Having all the ingredients is critical, and blending them with a deft hand by board chair and the executive director is the secret of success.

So, what happened in our case histories above? In story #1, the board rallied, jumped into the crucible and learned by fire what it means to be a worthy board member. That organization is thriving today with a \$1+ million budget. In story #2, the executive director found a like-minded board member who shared her vision and would agree to be chair. She recruited two or three other like-minded board members who, together with her, changed the culture of the board into a fully engaged, working board. A few board members who liked the old way resigned, but most were excited by the new vision and joined together to make it happen. And, oh yes, the organization does now have a successful Waterkeeper® program watchdogging the river.



CASE STUDY

Unbroken SYRCL:

The People's Fight to Save the Yuba River

By Janet Cohen
SYRCL
Executive Director
www.syrcl.org

In the beginning, the Yuba flowed unfettered from the headwaters in the Sierra to the lowlands of the Central Valley, singing a sensuous song as it fell through the riffles of boulders and rocks into its tranquil emerald pools. With the discovery of gold, the sound of the song changed and flow was dammed to serve industrial needs. With the Sawyer decision of 1884, however, the mining stopped and the river began to slowly recover its melody. There were still dams, of course, but somehow a magical stretch of the South Yuba was spared.

It was this 39-mile stretch of the Yuba that drew a new population in the late '60s and '70s, a group of mostly young people who were listening to a different sound and who fell in love with the river. They were artists and musicians, political activists and political escapees, dropouts and dope growers, back-to-the-land utopians, mediators and mountain climbers, river rats and river rafters. They all fell in love with the incredible beauty of the Yuba and foolishly thought that it would be like that forever.

The Catalyst

But in 1983, a cold wind of change came sliding down the canyon, serpent-like. Northwest Power planned to build a hydroelectric dam on the Yuba at a place called Miner's Tunnel. This dam, and several others that were proposed, would totally destroy the character of the river. Somehow, a small band of half a dozen intrepid people managed to find each other, and in an inspired, and probably naive, moment, decided to form a group called SYRCL, the South Yuba River Citizens League, to "preserve the South Yuba River."

Although they had no idea of the enormity of the project they were undertaking, they were already experienced at organizing to fight dams. Vince Haughey, for example,

had been a long-time member of Friends of the River, as well as, a river rafting guide. He and his wife Mary had fought the losing battle to save the Stanislaus River. Watching the Stanislaus being dammed had been gut-wrenching, but to go through it again on the Yuba "would break our hearts," they said. Still, the effort to defend the Yuba against huge multinational interests, as well as those of the county, seemed quixotic, at best. Money was short, raised mainly by asking for donations at the river, and the group had no real political power. But Vince was convinced that "if we love our river more than they love their dam, we'll win." In that spirit, SYRCL began its campaign.

Community Outreach

In 1984, there were two significant developments for SYRCL. The first was a formal protest that SYRCL presented to the State Water Resources Control Board, opposing one of the dam projects. This was the start of the bureaucratic battle that lasted for the next eight years. Each stage of the battle was like swimming upstream, demanding more and more money, time and political savvy. It meant organizational meetings, and standing with petitions in shopping centers, and going before the board of supervisors—all the things that real river lovers hate to do. So why did they do it? Everyone agrees—the first reason is that they loved the river.

"The Yuba grabs you by the heart."

"I'd seen beautiful rivers in Colorado, but nothing like the Yuba."

"It's a human-scale river. It's perfect."

And the more personal reasons:

"I had my first kiss at the Yuba."

"That's where I lost my virginity."

Personal commitment was important, but the additional strength of SYRCL—then and

now—is the community involvement, the coming together of the community not just to save the river, but to celebrate it.

This led to the other great event of 1984—the first SYRCL concert. Music and celebration became important partly to raise funds, but mostly to bring the community together during the cold winter times, when energy sagged and the task looked impossible.

Effective Leadership

Although the initial organizers of SYRCL were successful in mobilizing interest in saving the Yuba, it became obvious that what they really needed was someone with a strong organizational hand, as well as someone who could “...put on a coat and tie and go downtown.” In the nature of SYRCL, where the right person always shows up at the right time, Dr. Roger Hicks arrived in Nevada City with his wife and young family, drawn from the cold North Coast to the “hot and gorgeous” Yuba River. Partly through his own work in organizing SYRCL and partly by brilliantly choosing the right people to help him at the right time, Roger created an organization sensitive to both the river and the changing political realities.

In 1988, one of the most important members of the new team, was an old friend Mary Haughey (now Berglund), to organize the first SYRCL fundraising auction. It was the success of this auction that took SYRCL to the next level of effectiveness, allowing the organization to hire Mary as its first executive director and open a real office in Nevada City.

It had become clear that SYRCL could no longer be a part-time volunteer effort: in addition to the Miner’s Tunnel project, the Yuba County Water Agency proposed several more dams in 1989. Things were getting more complicated, but one big issue was finally settled. After eight years of

constant effort by SYCRL, the developer gave up its construction license for the Miner’s Tunnel in 1991; and the first major dam threat was dead.

A Vision for the Future

Following the victory over the Miner’s Tunnel Dam, SYRCL entered a difficult time to keep people focused on the river. Although it was obvious to SYRCL that defeating dam threats in a piecemeal way was not the answer, it was difficult to maintain political energy. When Kerri Varian (now Timmer) arrived to take over as executive director in 1993, she was buoyed by her excitement and love for the river—but there were difficult times.

“They called me the ‘agitator from Washington DC’ and ‘head of the SYRCL jerks.’” She had her mail stolen, got crank phone calls, and had her car vandalized. In addition, the local board of supervisors was generally opposed to SYRCL, there was a Republican governor who was not going to support “radical” environmental causes, and the political climate in Washington was not much better.

So SYRCL waited, laying the groundwork for its next big effort: getting Wild and Scenic status for the river. In 1992, SYRCL hired Tim Palmer, a professional researcher and writer, who produced a book called *The South Yuba: A Wild and Scenic Report*. And in 1996, SYRCL distributed “A Citizen’s Guide to Wild and Scenic,” part of a long-term plan to get the support of local residents and river property owners. Finally, in 1999, with plenty of public support and a new political climate, SYRCL was ready for the long-awaited push for Wild and Scenic.

Voices for the River

As the new SYRCL executive director, Shawn Garvey brought invaluable political experience and a feisty combativeness that were essential to the year-long battle.

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Unbroken SYRCL, cont.

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SYRCL hired a professional campaign manager and found a sympathetic river property owner who became a major donor to the campaign. All river property owners had been contacted and surveyed over the years and their support was enlisted for the duration of the campaign. And then there were hundreds of volunteers, who were essential to keeping the ball rolling toward Sacramento, lobbying, putting on events, letter-writing and phone calling.

In September 1999, after 16 years of effort, Wild and Scenic was finally passed—ensuring that the 39 miles of the South Yuba River would forever be free.

Wild and Scenic became law in January of 2001, but SYRCL had long realized that

dams were not the only issue on the river. Pollution, salmon restoration, clearcutting...the list goes on. Now that the river isn't being threatened by dams, SYRCL is able to concentrate on all these other issues. The tools that helped us win the Wild and Scenic battle—volunteers, major donors, a sophisticated database, prize-winning website, credible science and education programs, have all helped build on the political leverage that the Wild and Scenic victory gained. SYRCL is busier than ever, but after 21 years, SYRCL is still here, an unbroken effort and celebration by people who truly love the most beautiful river in the world.



S Y R C L S T A T S

NUMBER OF STAFF:	8 full-time / 6 part-time
NUMBER OF VOLUNTEERS:	500 active
PERSONNEL POLICIES?	Yes
STAFF (including Exec. Director) REGULARLY EVALUATED?	Annually
NUMBER OF BOARD MEMBERS:	9
PERCENT OF BOARD making financial contributions to SYRCL:	100%
BOARD TERM LIMITS:	3 years
PROCESS FOR BOARD RECRUITMENT:	Board recruitment committee
NEW BOARD MEMBERS ORIENTED/TRAINED?	Yes
DATE OF MOST RECENT STRATEGIC PLAN:	2004
FREQUENCY THAT STAFF/BOARD REVIEW & EVALUATE STRATEGIC PLAN IMPLEMENTATION?	At least annually but program by program we review more regularly—every 3-6 months
WRITTEN FUNDRAISING PLAN:	In process as I write
PERCENT OF FUNDING FROM:	
Individuals/Membership	30%
Foundations/Corporations	7%
Government (includes fee for service contract)	50%
Events	10%
Other (sales, rental income)	3%
SYSTEM FOR TRACKING DONATIONS/GRANTS?	Through accounting program (grants) & database (donation history)
SYSTEM FOR TRACKING VOLUNTEER HOURS?	Through database
SYSTEM FOR TRACKING MEMBER CONTACT?	Through database
ABLE TO RECEIVE GIFTS OF STOCK, ETC?	Yes
ABLE TO ACCEPT DONATIONS AND TICKET SALES ONLINE?	Yes

Dear Doctor OD,

Dear Doctor OD –

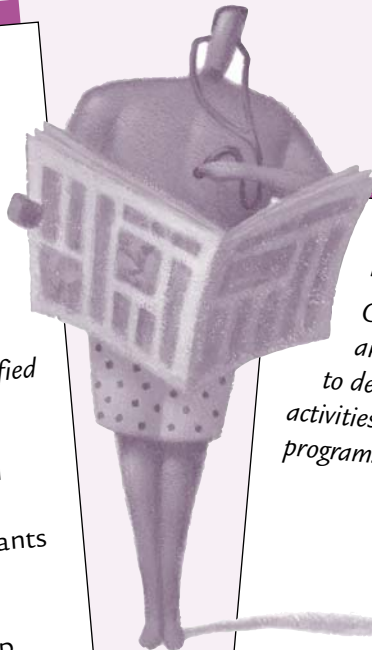
Help! We need to raise funds and some board members are ready to pitch in, but one board member says she won't ask strangers for money and her friends don't have any—so what do we ask her to do?

— Mystified

Dear Misty,

Even though we want 100% board participation in any fundraising effort, there is one person who wants to slide in every group. Board members should all give money according to their ability and help raise funds from others. It dampens everyone's spirits when one person is allowed to opt out. Board members can meet their fiduciary responsibility in so many creative ways—by providing lists of names, hosting an event or simply calling existing donors to say thank you—that there is always a role for everyone. For now, focus your efforts on those board members that want to play. Once they have some successes to brag about, you can make a simple chart showing how each board member is participating and give your “wet blanket” a big blank. In the end, she might choose to be part of the board team. If not, hang her out with the wet laundry at the end of her term and the rest of the board will probably be relieved.

— Doctor OD



Dear Doctor OD –

Our one staff person is overworked and underpaid. He knows he needs to dedicate more time to fundraising activities, but which of our important programs do we tell him to jettison?

— Weekend warrior

Dear Weekly,

Oh yes! It is fun to have lots of good programs, and like cute puppies, some may need to be given away to good homes. A volunteer board can rarely raise all the money to meet a professional payroll. But they can set priorities and give staff permission to spend some percentage of their professional time on fundraising. The first thing that goes might well be staff support for board meetings. Can your volunteers plan agendas, find places to meet, make their own coffee and take minutes? After that you'll want to look at programs that don't pay for themselves through grant income or individual donor support. Your job is to keep the organization focused on its mission and attract community support for your programs, not to run a puppy farm for good ideas.

— Doctor OD



Unsustainable Sustainability

By Don Elder
River Network
CEO

Sometimes organizational stability and sustainability are simply not attainable. If the desirable conditions described elsewhere in this issue are out of reach, it may be time to consider one of five basic options: **Manage, morph, merge, hibernate or disband.**

Manage (at least for a time)

If your situation is difficult but not completely untenable, it may be worth entering into crisis management mode for a time. (For suggestions, see the Winter 2001 issue of *River Fundraising Alert*) Just be absolutely sure to:

1. **Develop a solid plan for getting out of crisis management mode as soon as possible.** Your plan should include clear benchmarks of progress, as well as clear trigger points for more drastic action, that will help you make important decisions quickly as you proceed.
2. **Maintain the practices and records necessary to fulfill your legal and ethical obligations.** At a minimum, these should include board operations consistent with your bylaws and maintaining financial controls and records necessary to ensure proper and accountable use of your donors' money.
3. **Manage your activities and money in a way that will allow you to change, suspend or wrap up your activities as described below, if necessary.** Consider how much time and money it would take to fulfill all your current commitments to funders and others.

Most organizations have to enter crisis management mode sooner or later. River Network has done so twice in its sixteen year history. Just make sure that it does not become a chronic state.

Morph

Most organizations evolve continuously. All good ones do. Those that don't become rigid, inefficient and outdated. But sometimes the situation calls for more than just gradual evolution. Sometimes it calls for a complete, rapid *transformation*. This may be in terms of mission, geographic scope, issue focus, board structure, staffing and/or a number of other traits.

Sometimes it makes sense to make several major changes at once. For thirty years, the Central States Education Center (CSEC) operated from Champagne, Illinois to address a wide variety of environmental issues in several Midwestern states. In the late 1990s the group took stock of its accomplishments, strengths and opportunities. It also evaluated changes in the numbers and types of organizations addressing environmental issues in the region. After careful consideration, CSEC narrowed its geographic scope to Illinois, narrowed its focus to rivers, changed its name to Prairie Rivers Network and developed a highly effective new set of programs with a strong emphasis on Clean Water Act-related work. These changes propelled the organization forward powerfully in terms of public profile, board and staff development, financial support and impact.

Merge

Sometimes a merger of two organizations can achieve critical mass in terms of board strength, staff expertise, member support, fundraising potential and/or program impact. There are several types of situations in which a merger is worth considering. One is when two organizations are each having difficulty becoming sustainable. Another is when one strong organization can assume responsibility for the programs of another, struggling organization.

If missions and approaches are complementary and economies of scale can be achieved, it is worth considering a merger. Keep in mind, though, that mergers do not always work. Furthermore, not all of those that ultimately do work are worth the trouble. It takes time, energy and money to merge the boards, staffs, programs and finances of two organizations.

Hibernate

In a few cases, it is best to suspend operations indefinitely until conditions change and it is possible to regroup and rebuild. If you believe there is a long-term need for the organization as it is currently defined, this might make sense. It could

save you and/or others the time and trouble of incorporating a new organization later. If you choose this option, remember that a few people will still have some legal and financial responsibilities even during hibernation. If it is likely to take a long time to regroup and rebuild, this option may not make sense.

Disband

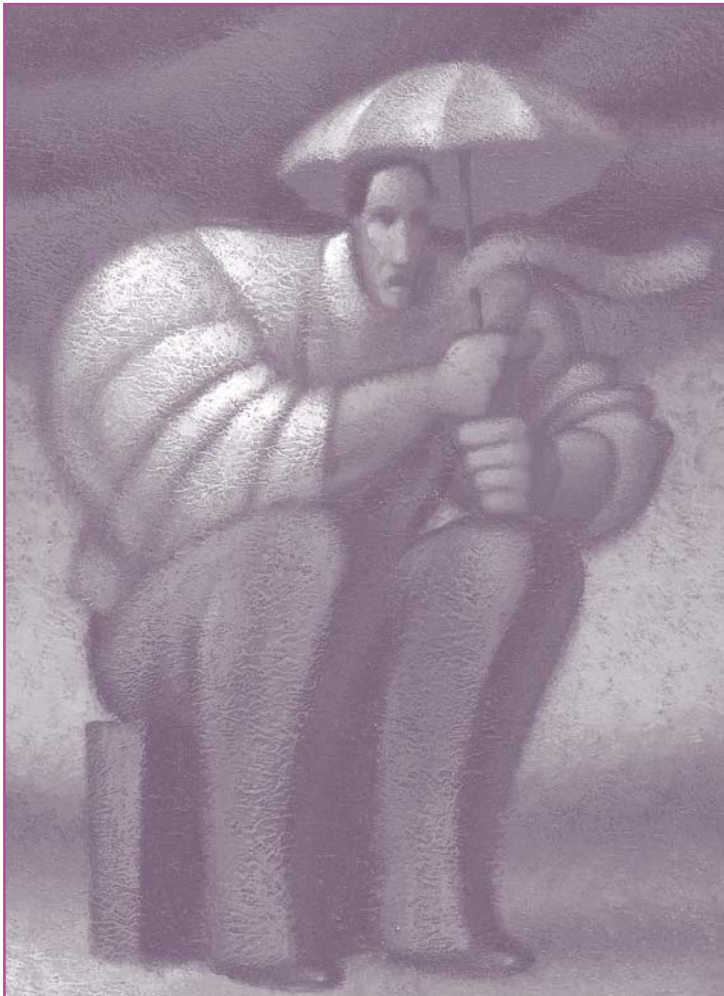
The idea of dissolving a nonprofit corporation—particularly one that you and others have put your heart and soul into—is difficult to consider. But, if it is simply impossible to establish a sustainable organization and if the other options

described above do not make sense, it is time to consider this one.

It may help to think of it this way. It takes time, energy and money to keep propping up an organization that for one reason or another just won't work. That's time, energy and money that could be more productively spent on another cause—or for the same cause through other means.

It may be time to disband if the reasons for being no longer exist, if funding potential has vanished, or if essential leadership has left and cannot be replaced. Groups with severe cases of burnout and/or founder's syndrome are also candidates for this option. (In a way, this list illustrates the importance of good strategic planning, building

One excellent resource for groups considering whether, when and how to merge can be found at: www.lapiana.org/resources/faqs/mergers.html.



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Unsustainable Sustainability, cont.

cont. from page 25

Not every group needs to be sustainable. If your group formed to address a specific issue, and if your cause will be won or lost some day in the not too distant future, then long-term sustainability isn't really your goal.

But most watershed groups are organized on behalf of a particular place, to look comprehensively at problems and solutions, both short- and long-term. If this describes your group, then you need to build a strong, sustainable organization that can be counted on to make a positive difference for the long haul.

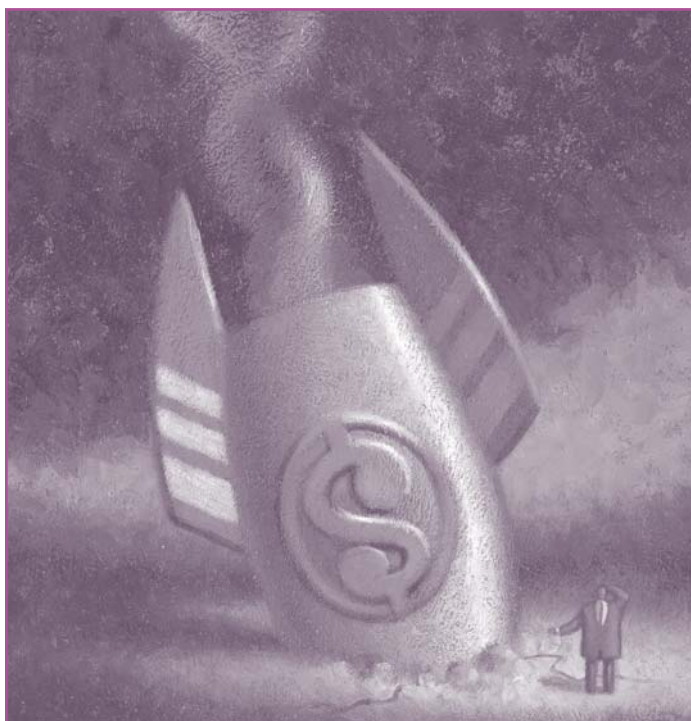
a diversified base of support, regularly refreshing the pool of organizational leaders and sharing responsibility widely on an ongoing basis.)

If the time to disband comes, for whatever reason, take care to wrap things up well. Anticipate the possibility and develop contingency plans to ensure that you can pay your bills and compensate your staff properly. Make sure that the money is all accounted for, and that any assets remaining are dedicated to an organization working for closely related purposes. Identify which products or programs can be transferred to an organization capable of using and managing them well.

As I write, this is a subject fresh on my mind. For the first time in my life, I am on the board of an organization that is going out of business. It was a fine group that worked for an important cause (salmon habitat protection and restoration) for nearly a decade. It had talented, hard-working staff leading programs that met critical needs. Those needs still exist—but the government funding that provided the bulk of support declined precipitously in recent years. In the current fundraising climate, the group was not able to build enough other sources of reliable revenue to allow minimal, much less sustainable, operations.

Fortunately, the executive director was wise enough and far-sighted enough to alert the board to the possibility well in advance. We decided that if and when certain financial

conditions came to exist, we would move into shut-down mode. This allowed us to proceed in an orderly manner, take care of our obligations, give staff enough time to begin the search for other jobs, transfer some products and programs to other suitable organizations, and to plan for a celebration of all our accomplishments.



Immediately after our final board meeting, we held a “spawning party” to celebrate the completion of our life cycle and all that we had accomplished together.

The metaphor was apt. Today, those who were involved are finding places with the staffs and boards of other organizations, old and new, that are working for related causes. The relationships we developed, the skills we honed and the things we learned are proving invaluable as we move forward. All concerned are confident that we made the right decision about how to respond to an unsustainable situation.



Assessing Your Organization

By Pat Munoz
River Network

The following self-assessment incorporates a number of organizational “Best Management Practices” taken from various articles, publications and studies on nonprofit organizations. While this checklist is designed for staffed organizations, many of the practices also apply to all-volunteer groups.

Give yourself a score of **0** (lowest) to **3** (highest) for each item. Then total your points for each category. The highest possible score for each category is 24.

Governance (Board of Directors)

- The board is diverse in terms of age, gender, race, talents, and other pertinent criteria and clearly represents the organization’s constituencies.
- The board consists of at least eight active board members.
- The roles of board and staff are clear and separate.
- There are stated terms limits for board members which are adhered to.
- There is ongoing recruitment of new board members based on an assessment of current board needs.
- Board meetings are well attended and well run with agendas, minutes, reasonable time limits and clear follow-up and decision-making mechanisms.
- There is an orientation process for training new board members.
- The board supports the Executive Director and gives him/her appropriate decision-making authority (does not micromanage).

SCORE

Financial Management

- The organization has an annual income and expense budget based on past performance that reflects the plans and activities of the organization.
- The board approves the annual budget and reviews financial statements regularly.
- There is an accounting system in place which gives an understandable, up-to-date picture of the financial situation.
- The organization usually meets its budgetary targets.
- There is an annual outside review of finances (e.g., an audit or formal independent review) which is reviewed by the board.
- The organization has a cash reserve for emergencies and policies governing its use.
- There is a system of internal controls to prevent misuse of funds.
- There is adequate insurance coverage.

SCORE

cont. on page 28

Assessing Your Organization, cont.

cont. from page 27

Staff Management

- The board hires the Executive Director; the Executive Director hires staff.
- The organization has written personnel policies.
- Staff members have written, up-to-date job descriptions.
- Salaries (and benefits) are regularly evaluated to insure that they are adequate to attract and retain qualified staff.
- Staff members are provided opportunities for input into the organization's decision-making/planning process.
- Staff members have the resources (space, equipment, technology) needed to carry out their jobs.
- Staff members are regularly evaluated and given feedback by the Executive Director (or their supervisor); the Executive Director is regularly evaluated and given feedback by the board.
- Staff members have opportunities to receive training to expand their capabilities.

SCORE

Program, Planning and Evaluation

- The organization has a written mission statement that clearly expresses its purpose and which is revisited annually.
- Staff, board and other leaders in the organization understand and can articulate the mission.
- There is a written annual program plan clearly reflecting the mission, approved by the board and containing measurable goals and objectives.
- Staff have work plans and measurable goals that reflect the annual plan.
- Board, staff and other important stakeholders get together and evaluate the organization's performance annually.
- There is a long-term vision and a three- to five-year strategic plan put together jointly by the board and staff.
- The organization is committed to gathering feedback from its constituencies to use in shaping its programs and plans.
- Partnerships, strategic alliances and collaborations are used to leverage opportunities and strengthen the organization's ability to achieve its mission.

SCORE

Fundraising

- The organization has a fundraising "culture"; everyone (including board, staff and volunteers) is expected to help raise funds.
- There is a written fundraising plan that identifies realistic goals, funding sources and tasks, assigns responsibility and outlines a fundraising calendar/timeline.
- The funding base is diverse—with no more than one-third of income coming from any one source (such as foundations or government grants).
- All funders/donors are thanked promptly (within a week) and recognized in the newsletter, annual report or by other means.
- There is fundraising expertise on the board and/or staff.
- All board members make a personally significant annual financial contribution.
- Individual members/donors are asked to give several times a year.
- There is a system (preferably computerized) for tracking donations.

SCORE

Volunteer Management

- There is a plan and goals for working with volunteers.
- Volunteers are recruited systematically.
- There are job descriptions for volunteers.
- Volunteers' skills and expectations are carefully matched with organizational needs.
- There is effective support and training for volunteers.
- Volunteers are given regular feedback on their performance.
- Volunteers are thanked and recognized for their contributions.
- Volunteers are given input into the organization's decision-making/planning process.

SCORE

Public Communications

- The organization's target constituencies and funders, including critical decision-makers, are well informed about its program, goals and accomplishments.
- There are effective printed materials (newsletters, brochures, annual reports) for distribution to the public.
- There is an attractive, informative, up-to-date website.
- Staff or board speak regularly to other groups and make presentations at public meetings where relevant issues are discussed.
- Members of the organization know key officials and leaders in the community.
- The organization gets media coverage regularly and tracks this coverage.
- The organization uses computers, email and electronic media to streamline communications with its members and stakeholders.
- The organization regularly solicits community/stakeholder feedback and acts upon that feedback.

SCORE

TOTAL SCORE:

SCORING:

A total score of 21-24 points in any category indicates that you are following most of the recommended practices in this area; review your progress annually and share your success and techniques with other groups. A score of 0-10 means you and your board should work to determine the necessary steps to implement some of the best management practices; consider attending a course (or reading a book) on this topic. A score of 11-20 means you are headed in the right direction, but there is still room for improvement; review the missing pieces and determine how and when you can incorporate them into your organization's structure.



RESOURCES on Organizational “Best Practices”

PUBLICATIONS

Benchmarking Your Organization’s Development, published by the Institute for Conservation Leadership. Cost is \$10.50 (discounts for quantities of 6 or more). Contact ICL at 301/270-2900 or online at www.icl.org.

How Effective Nonprofits Work: A Guide for Donors, Board Members and Foundation Officers, published by the Forum of the Regional Associations of Grantmakers. 100 pages. Cost is \$20 for nonprofits, \$30 for others. Call 800/294-8236, or order online at www.givingforum.org/resources/publications.

How to Save a River: A Handbook for Citizen Action, by David M. Bolling, published by River Network, \$18 plus \$4 shipping and handling. Order through the website, www.rivernetwork.org, or call 503/241-3506 x391.

The Oregon Nonprofit Corporation Handbook (3rd Edition, 2001) is the only complete how-to guide for legal, financial, and management issues for Oregon nonprofit corporations. Most information is applicable to all nonprofit organizations—regardless of location. 650+ pages. \$65. TACS, 1001 SE Water Ave, Suite 490, Portland, OR 97214. Fax: 503/236-8313. www.tacs.org/.

The Standards and Practices Guidebook: An Operating Manual for Land Trusts. Published by the Land Trust Alliance. 564 pages. (While this book is aimed at land trusts, over half of the material applies to any nonprofit organization.) Cost is \$45 for members, \$65 for others. Call 202/638-4725 or order online at www.lta.org.

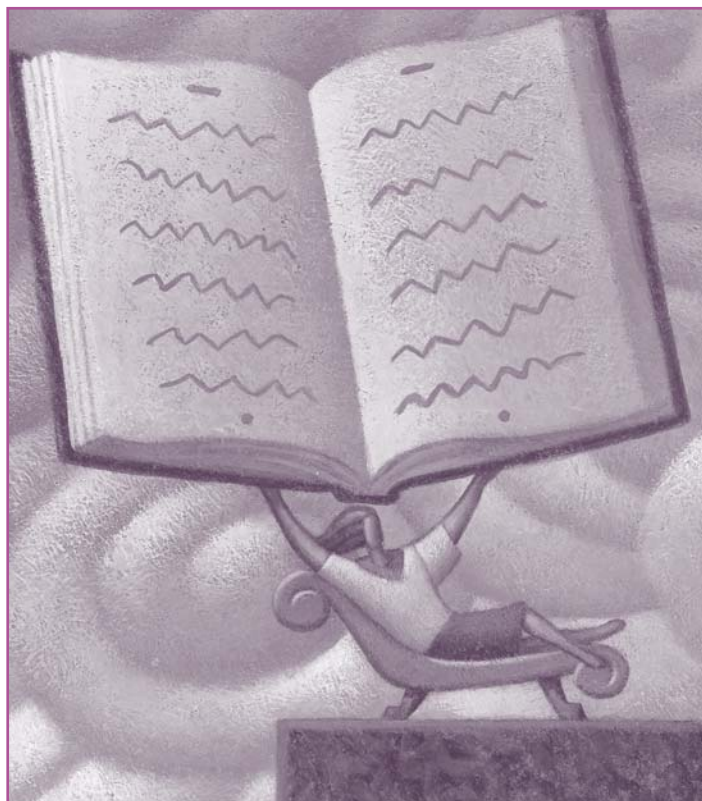
Starting Up: A Handbook for New River and Watershed Organizations, published by River Network. 400 pages. Partners, \$30, others, \$40. Order through the web site, www.rivernetwork.org, or call 503/241-3506 x391.

Top Ten Watershed Lessons Learned, published by EPA, Office of Water, OWOW. Downloadable free at www.epa.gov/owow/lessons, or call 800/490-9198 and ask for publication EPA840-F-97-001.

ONLINE RESOURCES

The **Innovation Network** has an online Organizational Assessment Tool that you can use to do a self evaluation of such things as Planning, Structure, Fundraising, Finance and Accountability and Evaluation. Once you input your data, the program will provide you with a report that you can use for future improvement. www.innonet.org.

Grantmakers for Effective Organizations, an affinity group whose mission is to advance and expand organizational effectiveness practices in and by the philanthropy community, has a publication you can download entitled ***Tools for Assessing Startup Organizations***, by La Piana Associates (click on “Learn” → “Publications” and then on Tools for Assessing...). This publication provides criteria and resources on six key organizational elements of a healthy nonprofit that funders should look at when evaluating potential grantees. 39 pages. www.geofunders.org.



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