

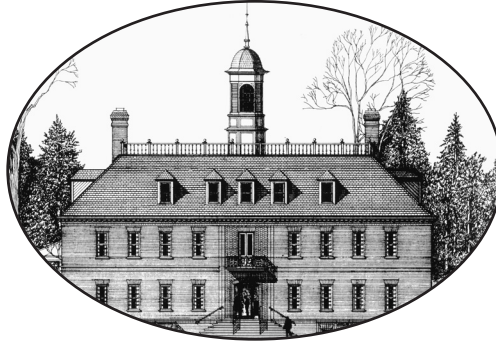


AN ANALYSIS OF NONPROFIT CAPACITY BUILDING IN THE MID-OHIO VALLEY

**REPORT BY
TANYA JUDD PUCELLA, PH.D.
DIRECTOR OF CIVIC ENGAGEMENT
MCDONOUGH CENTER FOR LEADERSHIP AND BUSINESS
MARIETTA COLLEGE, MARIETTA, OHIO**

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GIVING BACK THE GIFT

The McDonough Center is named in honor of Bernard P. McDonough (1903 – 1985), a self-made industrialist and entrepreneur who ran wide-ranging global business interests from his Marmac Corporation, headquartered in Parkersburg, W.Va. In 1986, through a generous gift from McDonough's wife, Alma McDonough, and the McDonough Foundation, Marietta College established the Bernard P. McDonough Center for Leadership and Business. The Center's founding dean, Dr. Stephen W. Schwartz (1940 – 2006), worked with the faculty to develop one of the first comprehensive undergraduate leadership programs in the United States. Today, the Center is nationally recognized as a leader in leadership development, offering a wide range of programs and activities for students across diverse fields of study.

One of the hallmarks of the McDonough Center is its focus on the development of engaged leaders who can translate knowledge into action, and in the process contribute to the betterment of their communities. The McDonough Center's Office of Civic Engagement offers students and faculty opportunities to become engaged leaders through service activities in the community. The Director of Civic Engagement coordinates service projects and volunteering activities for the students in the McDonough Leadership Program.

MCDONOUGH LEADERSHIP PROGRAM AT A GLANCE

The McDonough Leadership Program has been designed to allow Marietta College undergraduates to study and practice leadership within a liberal arts context. Its originators and planners developed a program that enhances any student's Marietta education – a program that fits with any major and provides each graduate with a special set of habits and skills that are helpful in any career he or she wishes to pursue. As students gain an understanding of the synthesis of ideas and action, they will be better able to characterize leadership, judge leaders, and work at becoming leaders in their own right.

Students who choose to be involved in the McDonough Leadership Program can do so on one of four levels. They may pursue the Certificate in Leadership Studies, the Teacher Leadership Certificate, the Minor in Leadership Studies, or the International Leadership Studies (ILS) major. Career paths for students in the ILS major traditionally include international non-profit organizations, Peace Corps, foreign service, diplomacy, the law, graduate school, and public service, to name a few. Students pursuing the certificates or the minor combine their leadership education with a major of their choice.

TABLE OF CONTENTS

Introduction	5
Project Purpose	5
Survey Focus	6
Sample and Survey Procedures	6
Acknowledgements	8
Executive Summary	11
Capacity Building Challenges	11
Types of Assistance	13
Recommendations	13
Conclusion	21
Literature Review	23
Nonprofit Background	23
Defining Organizational Capacity	24
Dimensions of Capacity	25
Types of Assistance	30
Standards for Excellence	30
Regional Profile	33
Educational Institutions	34
Current Nonprofit Resources	37
Key Findings	43
Nonprofit Capacity Building: Challenges and Assistance	45
Capacity-Building Challenges	45
Types of Assistance	55
Standards for Excellence	58
Barriers to Capacity Building	61
Perspectives of the Funding Community	63
Recommendations	65
Funding Assistance	65
Demonstrate Support for the Capacity Development Initiatives of Nonprofit Organizations	70
Educational Opportunities for Nonprofit Leaders.	72
Facilitate Effective Networking and Resource-Sharing Among Nonprofit Organizations	76
Enhance Technical Assistance Opportunities	83
Create a Regional Capacity-Building Office.	90

Conclusion	93
Appendix A-Sample and Survey Procedures	95
Quantitative Phase	95
Focus Groups	97
Appendix B-Nonprofit Leadership Workshop Series	99
Appendix C-Average Challenge Levels Per Dimension	101
Appendix D-Most Pervasive Overall Challenges	105
References	107



INTRODUCTION

The nonprofit sector in Appalachia is essential to the health of the community. In a region known to be entrenched in the various issues associated with poverty and an overall lack of resources, nonprofits have developed in large numbers to address these needs and other important community goals, such as the development of the arts. These nonprofits often struggle to survive because of limited resources even when the nation as a whole is healthy economically.

This study was designed during the spring of 2008 before the nation's economy began its downward spiral. By the time the instrument was distributed to respondents in the fall of 2008, nonprofits everywhere were feeling the sting of shrinking governmental budgets, declining endowments, dwindling individual contributions, and decreases in personal discretionary income by potential consumers.

It may seem to be an inopportune time to conduct an examination of capacity-building challenges and effective ways to address them. Organizations facing these financial hardships often cut their budget for key items, such as training, that are necessary for effective capacity-building efforts. However, if these organizations are to continue to operate in this harsh economic climate, they will need to improve their organizational effectiveness. Therefore, an examination of capacity-building challenges, along with recommendations for the region in terms of how to meet these challenges, could not be timelier.

PROJECT PURPOSE

The Sisters of St. Joseph Charitable Fund commissioned the McDonough Center for Leadership and Business at Marietta College to conduct an examination of the capacity-building and technical assistance needs of the nonprofit community in an eleven-county region spanning southeastern Ohio and west central West Virginia.

The purpose of this research project is to help develop a common understanding of the capacity-building challenges faced by nonprofit organizations in the region. This can assist

interested members of the funding community in developing systematic approaches to support the organizational health of local nonprofits in addition to their programmatic requests. This will benefit the nonprofit organizations by ensuring that the funders, as well as the community at large, have solid, research-based information about the capacity-building challenges they are facing and the potential effectiveness of strategies for meeting those challenges.

SURVEY FOCUS

The instrument utilized in this study was developed by a research team led by Dr. Kirsten Gronberg of the Center on Philanthropy at Indiana University and administered in 2008 to Indiana arts and culture organizations that have sought funding from the Indiana Arts Council. This questionnaire was itself based on a 2007 instrument utilized by Dr. Gronberg's team in a statewide examination of capacity building.

The instrument asked participating organizations to identify and assess the management issues they faced in seven key areas commonly described in the literature in order to determine the extent and severity of these challenges in the region. Participants were also asked to evaluate the perceived effectiveness of various types of assistance in three categories – peer learning, funding, and technical assistance.

SAMPLE AND SURVEY PROCEDURES

The survey was targeted at public charities and nonprofit agencies in an eleven county region covering portions of southeastern Ohio (Athens, Meigs, and Washington counties) and west central West Virginia (Calhoun, Jackson, Pleasants, Ritchie, Roane, Tyler, Wirt, and Wood counties). The study took place in three phases. During the quantitative phase, we collected survey data from a large number of organizations within our targeted geographic area. The second phase consisted of a more qualitative approach using focus groups. In the final phase the primary researcher engaged in a series of site visits to other localities engaging in significant capacity building efforts in order to examine appropriate recommendations for growth.

This section contains an overview of the survey procedures for all three phases of the study. For a more detailed account of the sampling and survey procedures, see Appendix A.

Quantitative Phase

The original pool included all 1,519 nonprofit 501(c)(3) organizations in these counties who had submitted 990 forms to the Internal Revenue Service (IRS). The removal of duplicate organizations and those no longer in existence brought the potential pool down to 1,149 agencies. From there, twelve categories of organizations were eliminated from the pool of potential respondents. Those twelve categories included alumni associations, booster organizations, churches, educational institutions, foundations, Greek organizations and collegiate honor societies, hospitals, parent/teacher organizations, scholarship funds, sports leagues, trusts funds, and volunteer fire departments. These eliminations allowed the study to focus on examining nonprofit organizations that generally provide programming services and also have an operating base of employees, volunteers, and workspace. As a result, the stratified sample utilized included 567 organizations in the eleven counties.

The survey was administered in both a web-based format through SurveyMonkey and a paper-based format. E-mail requests to participate in the online version survey were sent to all those who had valid e-mail addresses. No less than two reminder e-mails were sent as a follow-up. Paper copies of the instrument were mailed to all organizations that did not respond to the e-mail requests or for whom we could not locate a valid e-mail address or website. At least one phone call reminder was conducted in order to encourage all non-responders to participate. Lastly, another round of paper copies of the survey was sent to anyone who had not yet participated in the study. Overall, all organizations in the stratified sample were contacted at least twice for the purpose of this study.

A total of 176 organizations participated in the quantitative phase of the study, for a response rate of 31%. Of these, 146 respondents utilized the web-based format, while only 30 paper-based responses were returned out of a potential 400 paper copies distributed.

Focus Groups

Three separate focus groups were conducted in the second phase of the project. The first was a meeting of several of the funders that operate in the region. This focus group took place at Marietta College in February of 2009.

The second and third focus groups were intended as follow-ups to the quantitative portion of the study. All organizations that received the instrument were invited to attend one of three sessions. Similar focus groups had been conducted by Ohio University in July of 2008 as a part of their launch of the Regional Nonprofit Alliance. Comparable questions about capacity building and types of assistance were asked in those listening sessions. It was determined that rather than attempt to reconvene the same organizations to ask similar questions, the focus group data collected by Ohio University would be compiled with focus groups held in the spring of 2009 in West Virginia. Two of the three sessions were held; the third was cancelled due to low attendance. The session at West Virginia University at Parkersburg had seven attendees out of nine registered participants. The session held in Harrisville, West Virginia, had four total participants. The Listening Sessions hosted by Ohio University were held in ten locations in southeastern Ohio and had over 100 participants.

Best Practices Site Visits

A critical element of the study is to develop a list of potential recommendations that will attempt to enhance capacity building efforts in the region. Several communities were targeted as potential models. A total of four visits were arranged, including the Lansing and Battle Creek areas in Michigan; Indianapolis, Indiana; Orlando, Florida; and Pittsburgh, Pennsylvania.

In each location, several organizations were visited. These organizations included funders supporting capacity-building efforts, management support organizations that engage in the delivery of capacity-building services, and organizations that have effectively employed capacity-building strategies to improve their organizational health.

ACKNOWLEDGEMENTS

First and foremost, we would like to thank all of the organizations who participated in the study. Time is a valuable resource in all organizations, and taking even a small amount of time to provide responses to the survey is incredibly valuable in helping guide our recommendations. Those that took the extra step of participating in our focus groups are doubly thanked.

Special thanks goes to our local funders in the region. First, to the Sisters of St. Joseph Charitable Fund and its Executive Director, Sr. Jane Harrington, for fully supporting this project and being a proponent of capacity-building efforts in the region. Secondly, to Tres Ross of the Ross Foundation, whose talent for data mining produced an amazing contact list as a starting point for our research. And, of course, to all of the funders who participated in the focus group that we held, we appreciate your time and input.

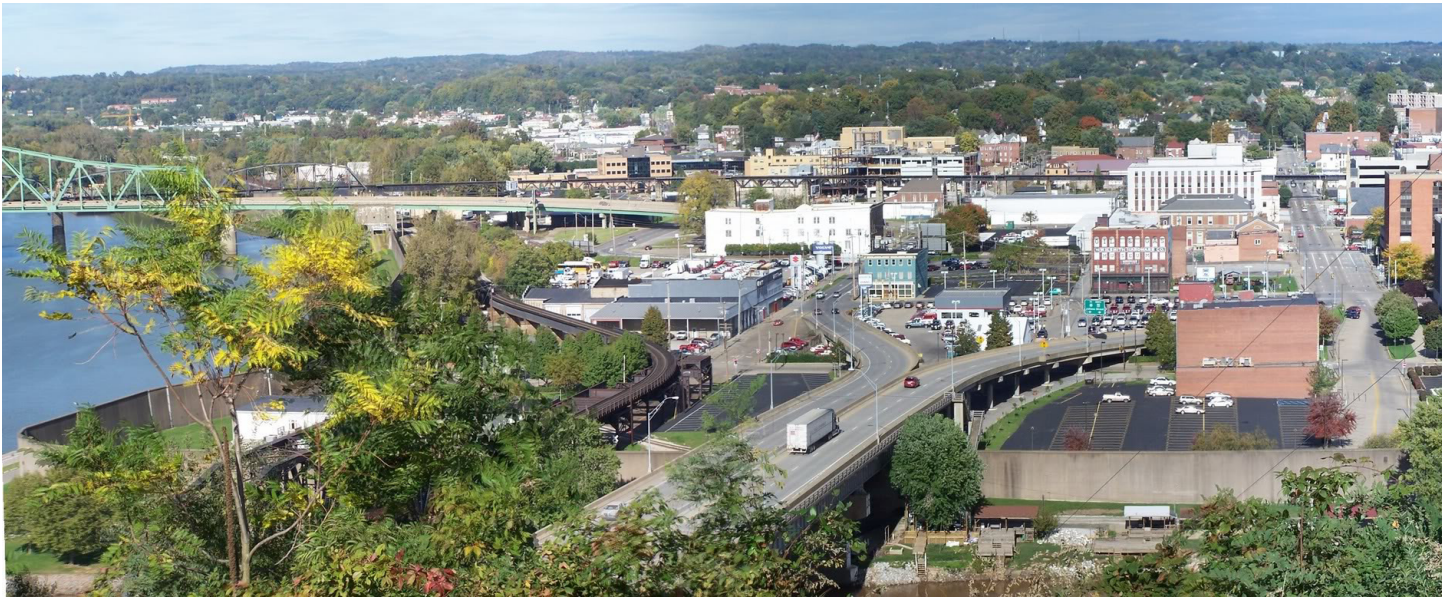
The Center for Philanthropy and the School of Public And Environmental Affairs at Indiana University were invaluable in this process, particularly Dr. Kirsten Gronberg, who allowed us to utilize the instrument that her research team has created. Kellie McGiverin-Bohan also answered several questions about their approach to their data analysis.

This project would have not been as rich in capturing the needs of the region if it were not for input from members of the Voinovich School at Ohio University, and the recently launched Regional Nonprofit Alliance. Dr. Judith Millesen, who has extensive experience in research in the nonprofit sector and was always willing to share her expertise; Kate Leeman who coordinated the Regional Nonprofit Alliance at its inception and throughout much of our research; and Anita Fredericks, current coordinator of the Alliance. Additional thanks go to Judith and Anita who not only accompanied me on my visits in Pittsburgh, but set up each of the meetings.

There is an extensive list of individuals to thank for meeting with us during the various best practices site visits or phone calls that we used to drive the recommendations portion of the study: Kelley Kuhn, Director of Management Support and Capacity Building Services and Jamie-Lee Venable, Michigan NOW! Program Manager, both of the Michigan Nonprofit Association; Teresa Durham, Executive Director of the Nonprofit Alliance at Kellogg Community College; Dr. Timothy Seiler of The Fundraising School at The Center on Philanthropy at Indiana University; Teresa Bennett, Director and Richard Gordon, Program Manager for Nonprofit Solutions, both of the Indiana University-Purdue University at Indianapolis Solution Center; Lisa Hanger of the Indiana Nonprofit Resource Network; Cary Craig of the Indiana Governor's Office of Faith Based and Community Initiatives; Dr. Naim Kapucu and Mary-Elena Augustin of the Capacity Building Institute, a component of the Center for Public and Nonprofit Management at the University of Central Florida; James Keller of Neiamah; Barbara Hoosier of X-Tending Hands, Inc.; Peggy Outon, Executive Director of the Bayer Center for Nonprofit Management at Robert Morris University; of the Grable Foundation; of the Diana Bucco Forbes Fund; Michael Sider-Rose of the Coro Center for Civic Leadership; Karen Brean and Shelley Harnett of the Community Technical Assistance Center; Herk Connor at the West Virginia Community Development Hub; Charles Chandler of Mission West Virginia; and Mary-Beth Busch, Director of Workforce and Community Education at West Virginia University at Parkersburg.

There are several individuals at Marietta College we would like to thank for their assistance. Dr. Gama Perruci, Dean of the McDonough Center for Leadership and Business, helped design the project and was an excellent sounding board throughout the process. Dr. Robert McManus provided great feedback on our focus group sessions. Christy Hockenberry, administrative coordinator of the McDonough Center, ably assisted in helping attain supplies, plan trips, and set up of the focus groups. We would also like to thank Beth McNally, whose insight regarding the nonprofit community in the region was invaluable in providing direction to this project and our final recommendations; we could not have done this without her.

Finally, I would like to acknowledge the hard work of the research assistants who worked on this project. Lead researcher Saira Khan put in countless hours in data collection and analysis, as well as collecting and analyzing literature on the nonprofit sector. She was critical to the success of this project. Abbey Sullivan spent a great deal of time contacting organizations and inputting data. Mike Judd looked for capacity building programs in other regions and other best practices data.



EXECUTIVE SUMMARY

The McDonough Center for Leadership and Business at Marietta College has recently completed a comprehensive study of nonprofit capacity in the Mid-Ohio Valley. Data was collected from organizations across an eleven county area in both southeastern Ohio and West Virginia through both a quantitative survey and a series of focus groups. The questionnaire and the qualitative follow-up was designed to: (1) identify the most pressing capacity building challenges facing individual organizations across seven dimensions of capacity described in the literature; and (2) describe what organizations felt the most effective type of assistance for these challenges would be. From this data collection, as well as a series of site visits to similar geographic areas engaging in capacity building initiatives and our review of the literature, we have developed a series of recommendations for the nonprofit community and the funders in the region.

CAPACITY-BUILDING CHALLENGES

The questionnaire utilized for our study broke capacity building into seven primary dimensions. Each dimension had several indicators that we asked about in detail. Respondents were asked to evaluate themselves in each of these dimensions by determining whether the indicators posed a major challenge, a minor challenge, or were not a challenge for their organization. The ratings given to the indicators for each dimension were compiled into an average challenge score for each dimension.

Our results demonstrate that financial resources posed the greatest challenge faced by respondents, followed (in decreasing order) by human resources, information technology, networking and advocacy, marketing, planning and programs, and finally operations and governance.

Financial Resource Capacity

All indicators within the financial resources dimension were seen as a major or minor challenge by over 55% of respondents. Obtaining funding was viewed as a major (63.6%) or minor (30.1%) by 93.7% of respondents, showing the greatest level of concern of any of the financial indicators. Securing foundation/corporate funding (54.9%), expanding their donor base (52.3%), and building endowments (52.1%) were seen as major challenges by over half of the participants. Managing finances seemed to be an area where organizations felt most comfortable, with 41.8% reporting it to not be a challenge and another 42.4% considering it only a minor challenge.

Human Resource Capacity

As with financial resources, all indicators within the human resources dimension were seen as a major or minor challenge by over 55% of respondents with the exception of staff training. The ability to recruit and keep volunteers seemed to be of greatest concern to participants; 31.4% saw this as a major challenge, and 39.5% saw it as at least a minor challenge. Recruiting and keeping board members was also a concern with 67.3% seeing it as a major or minor challenge. Board training and managing human resources were also a concern for at least 60% of agencies. Staff training was the area of least concern, with only 11.2% of respondents seeing this as a major challenge.

Information Technology Capacity

Again, all indicators within the human resources dimension were seen as a major or minor challenge by over 55% of respondents. Website development and upgrading hardware were the greatest areas of concern, with at least 25% of organizations seeing these as major challenges and over 65% seeing these as at least a minor challenge. Creating and effectively using databases was a major or minor concern for at least 62.4% of all respondents.

Networking and Advocacy Capacity

All indicators in this dimension were seen as a major or minor challenge by a least 59% of all respondents. Enhancing the public's understanding of key issues was a major (29%) or minor (42.6%) challenge for 71.6% of participants. Relations with policy makers (67.4%) and relations with other entities (64.7%) also posed significant major or minor challenges.

Marketing Capacity

All indicators in this dimension were also seen as a major or minor challenge by at least 55% of respondents, with the exception of defining constituency groups (43.4%). The ability to enhance the visibility and reputation of the organization seemed to be the most pervasive challenge, with 38.7% of respondents seeing it as a major challenge and another 40.5% seeing it as at least a minor challenge. Developing targeted communications to the community was a close second with a total of 72.1% of respondents seeing it as a major or minor challenge.

Programs and Planning Capacity

Four of the five indicators in the programs and planning dimension were seen as a major or

minor challenge by at least 60% of participants. The most pervasive concern was the ability to attract new members or clients, which was a major concern for 30.4% of participants, and at least a minor concern for another 39.8%. This was followed closely by the ability to evaluate outcomes, which was a major or minor concern for 69.1%. The ability to focus on the organizational mission and vision was a concern for only 47.6%, and a major concern for only 5.2% of that total.

Operations and Governance Capacity

Operations and governance issues were seen as a major or minor challenge for at least 45% of respondents in each dimension. Strategic planning was a challenge for nearly 70 % of organizations, and a major challenge for nearly one-quarter of these. The development of management skills was a major or minor challenge for 67.8% of respondents, and board development was a concern for 65.9%. Facilities management and performance of routine tasks were of the least concern to participants, with only 45% seeing these as a challenge

Interestingly, when asked to identify additional capacity-building needs in the open-ended portion of our study, the dimension that had the second highest number of identified needs at 24.2% was operations and governance, which had the lowest average capacity challenge score in the closed-ended responses in the first portion of the questionnaire.

TYPES OF ASSISTANCE

In addition to rating the level of challenge that each dimension of capacity posed their organizations, respondents were also asked to rank the level of helpfulness of various types of assistance as very helpful (3), somewhat helpful (2), or not helpful (1). The types of assistance can be grouped into three categories: funding, peer learning, and technical assistance.

Overall, the types of assistance associated with funding were seen as the most beneficial. In the open-ended portion of the study, 44.3% of the responses regarding how best to address these capacity-building needs related to some type of funding. The closed-ended portion of the study also found that respondents viewed various forms of funding as the most helpful form of assistance. Funding for general overhead expenses (2.57) and multi-year funding (2.55) were seen as being the most helpful overall, followed by small targeted grants (2.32), endowment funding (2.29), and challenge grants (2.14). The two forms of peer learning followed these funding types with learning from peers (2.14) tied at fifth overall and joint activity with others (2.0) as seventh overall. Various forms of technical assistance followed, with student interns being viewed as the most helpful type (2.1), followed by workshops and training (1.86), outside consultants (1.75), and loaned executives (1.55). The least desirable type of assistance overall was a type of funding, a low cost loan (1.22).

RECOMMENDATIONS

The purpose of this study is to help capture the state of nonprofit capacity in the targeted geographic area, identify what resources are available to nonprofits, and to make recommendations for improving capacity-building efforts. These recommendations are suggestions made based on the data collected in our quantitative phase, the focus groups, as well as the best practice site visits. No one recommendation will in and of itself address the capacity needs of nonprofits. A comprehensive approach utilizing a variety of tools is nec-

essary to make significant strides in improved organizational effectiveness in the region.

There are six broad recommendations listed below (and discussed in detail within the full report). Within each broad recommendation are several specific suggestions for how it could be implemented. Recommendations are made in no particular order.

1. Funding Assistance—Both the quantitative and qualitative portions of the study demonstrate that this is the most desirable form of assistance. Funding assistance can take many forms, as indicated below. It should be noted that while the other recommendations are not specific requests for funding assistance, there will be a need to provide funding to support these initiatives if they are to be fully implemented.

- *Multi-year and General Overhead Funding*—These were identified as the most helpful of any form of assistance suggested in the study. These types of funding approaches to capacity building provide the organizations with a great deal of flexibility in meeting their organizational challenges in a variety of ways.
- *Develop a Specific Funding Category for Capacity-Building Projects*—Grant application materials help funders make clear what type of projects they will fund. By adding a grant category that includes capacity building among their list of grant interests, funders will send a clear message that they are interested not only in funding these projects, but in promoting capacity in the sector.
- *Capacity Building Pooled Fund*—A pooled fund would be a collection of resources from multiple funders in the area that nonprofit organizations could apply for, much like any other grant application process. Drawing from multiple funders would increase the funds available for capacity building and would provide a single place for organizations to turn for their capacity-building requests. Rather than apply to an individual funder, some intermediary agency would be utilized to administer the program. Each participating funding entity would be responsible for contributing a minimum amount of money to the pooled fund annually.
- *Seek Federal or State Funding for Capacity-Building Programming*—There are funds available at the federal level, and to a lesser extent the state level, to provide capacity-building programming to specific audiences or geographic regions. The key to this particular recommendation would be finding an intermediary organization that has the ability to administer such a grant. This organization may also need to find additional monies to help offset the administrative costs of overseeing the project.

2. Demonstrate Support for the Capacity Development Initiatives of Nonprofit Organizations—Funders hold tremendous sway over their current and potential grantees, who are always looking for ways to demonstrate that they are viable organizations with valuable programming and therefore worthy of funding. Funders have the ability to use this influence to convey the importance of capacity building and organizational development.

- *Modified Grant Application Process*—Funders could modify their grant applications to reflect the importance of capacity-building initiatives. By simply asking a poten-

tial grant recipient to describe what activities the organization is undertaking to build organizational capacity, the funder is sending a clear signal that they are interested in working with organizations that are taking steps to grow and improve. This could be a checklist or a narrative description.

- *Common Grant Application*—The establishment of a common grant application for regional funders could potentially simplify the grant seeking and proposal writing process for organizations. These resources could then be used to improve organizational effectiveness. This is currently being discussed by several West Virginia funders.
- *Organizational Assessments*—Many of the organizations visited during the best practices phase of the study used some form of organizational assessments when organizations applied for capacity-building assistance. These diagnostic tools vary in complexity. Such an assessment tool should be required if capacity-building funding is requested to demonstrate that the entity has truly examined their needs and prioritized them. Funders may also consider encouraging such assessments even for programmatic requests, perhaps as an appendix, to demonstrate their desire to work with organizations that are concerned with their own development as well as programming.

3. Educational Opportunities for Nonprofit Leaders—Training and development is one form of assistance to address the varying needs of nonprofit entities. It should be noted that there are currently a variety of educational opportunities for nonprofit leaders in the area available through institutions of higher learning. These opportunities should be widely encouraged for nonprofit professionals in the region who plan to remain in the sector to advance themselves professionally in addition to helping their organization. See the Regional Profile section for more information about these various programs.

- *Offer Varied Types of Workshops to Nonprofit Organizations*—While each dimension evaluated in this study is not mentioned specifically below, nonprofits could certainly benefit from workshops that address nearly any of these dimensions and their corresponding indicators. The two areas specifically mentioned — various components of fundraising and board governance — were the most frequent type of assistance requested in the quantitative and qualitative portions of the study respectively. Other frequent requests for training found in our study included grantwriting, outcomes measurement, and marketing to potential clients, volunteers, and donors. These are topic areas that should also be considered if at all possible. In order for these training sessions to be effective, the cost needs to be fairly low in order to attract nonprofits of all sizes. As a result, the overall cost of the sessions may need to be underwritten by a funder. Additionally, opportunities for follow-up are critical to the successful implementation of ideas presented in training.
- ▶ *Fundraising Workshops*—Seven of the top ten most pervasive needs identified in the study all relate to financial resources, and the need for effective fundraising. Obtaining funding, expanding the donor base, developing capital campaigns, building endowments, securing corporate or foundation support, acquiring government grants, writing proposals are all key skills for nonprofit entities that may be enhanced through effective training.

- ▶ Board Governance Workshops—This was a frequent request in the qualitative portion of the study. The key to success in these types of workshops would be finding ways to encourage board members to attend alongside line staff and executive directors.
- *Scholarships*—A significant obstacle to participating in professional development in its various forms is cost. Providing full or partial scholarships to cover the cost of workshops, postsecondary coursework, conferences, and more can encourage managerial and line staff to learn more about organizational effectiveness. These scholarships could be offered by individual funders or through a pooled fund.
- *Nonprofit Workshop Series*—The Voinovich School at Ohio University and West Virginia University at Parkersburg’s Community and Workforce Education program have engaged in discussions about offering a nonprofit workshop series as part of a continuing education program for the region. The proposed course listing can be found in Appendix C of this report. The workshops would be a mix of traditional instructional methodologies with opportunities for interaction and discussion by attendees. This series could be offered through a cohort approach, increasing networking opportunities with peer organizations. A fully funded first cohort could build positive momentum to encourage organizations to participate in future sessions.
- *Digital Training*—One of the major barriers to engaging in training and development for nonprofit professionals is a lack of resources, such as money and time. Organizations in this particular region often have to travel to attend workshop sessions. Advances in technology may provide some digital alternatives to traditional face-to-face training that requires participants to travel long distances, such as webinars or DVDs.
 - ▶ Webinars—Webinars are an online delivery method for training that include lecture along with opportunities to also allow participants to interject to ask questions, share their experiences, and dialog with their classmates through varied software platforms. Sessions can also be archived and later viewed for review or by individuals who were unable to “attend” the session. This minimizes the need to travel for training. Funding would be necessary to acquire the software to support these training methods.
 - ▶ DVDs—Another way to address travel constraints to training would be to develop training packets that include DVDs of filmed lectures. The packets would also include relevant readings, templates, and other materials to be used and could be circulated at no or low cost to organizations. The Regional Nonprofit Alliance is currently developing a packet on board governance based on requests during their Listening Sessions, and may have the capability of producing more as resources permit. Funding would be necessary for the production of the DVDs and the reproduction of the relevant materials, as well as postage if packets are to be mailed directly to organizations.

4. Facilitate Effective Networking and Resource-Sharing Among Nonprofit Organizations

—The qualitative portion of the study demonstrated that there is a clear need to raise awareness of available resources and how to access them. One of these resources is clearly the ability to interact with peers through networking opportunities.

- *Networking Luncheons*—A regular opportunity to interact with other executive directors was seen by focus participants as very beneficial, a finding supported by the literature. Networking luncheons were mentioned as a possible method. The Parkersburg area already conducts these types of luncheons through an organization called the Community Service Council, a rich sharing opportunity that should continue and even grow. Setting up similar luncheons or even evening events in other areas would be beneficial as well.
- *Peer Mentor Network*—A peer mentoring network would be an effective tool for new executive directors—new to the sector, to the mission focus area of their organization, or to the geographic region. New nonprofit executives could be matched with experienced executives. Mentoring relationships are typically beneficial to the newbie, who is learning a great deal about how to effectively do his or her job and help his or her organization, as well as to the experienced mentor, who has to reflect on what works well and what about his or her practice needs to be improved. In order for a formal peer network to be effective an individual or organization would need to match protégée and mentor. The individual administering such a program would need a way to keep track of the organizations in the region and their executive directors in order to make matches—which is no small task. An alternative might be to try to establish mentoring relationships during networking opportunities, such as the lunches described above. Another alternative might be to have such a mentoring program fall under the auspices of a regional office (described below).
- *Establish a Regional Discussion Board for Nonprofit Organizations*—Another relatively low cost method for promoting peer interaction and dialog would be the establishment of a regional nonprofit discussion board. The discussion board could have a main portion where all nonprofits interact, as well as interest sections based on organizational mission. An effective discussion board would need a moderator. The role of a moderator would be monitoring the discussion, adding topics to get people talking, and helping to field questions about the board and how it operates. The moderator could be particularly mindful of posting relevant information specific to this region, something that seems to be currently lacking.
- *Raising Awareness of Available Resources*—One of the issues identified in the focus group sessions was a lack of awareness about where to locate information. There seemed to be an understanding that some organizational development resources were available to local nonprofits, but many did not know how to access these resources or realized what agencies, groups, or organizations provided which services. A marketing campaign to help organizations locate key resources more easily might be beneficial. Funding entities could also provide a link from their websites to a page that contains a comprehensive list of regional resources, or include a flier in any mailings that they send to their grantees.

- *Document Sharing and Templates*—Policy templates were noted by several focus group participants as being a very valuable resource, though they expressed frustration at their ability to locate “good ones.” By having these templates collected by an intermediary agency which has sorted through and identified the quality of these templates, it is more likely they will be of use to regional nonprofits. It would also be potentially beneficial if these templates were grouped in some way based on organizational size or type. Document sharing through a Wiki would be another alternative to help assist organizations seeking to develop policies and procedures. This would allow regional nonprofits to work with and assist each other. Organizations would have to be made aware that such a resource exists if they are to benefit from it. One possibility would be to provide links to these resources from websites or resources frequently used by nonprofits in the region, such as funder websites.
- *Promote Sharing of Back Office Services*—Collaboration in the nonprofit world takes many different forms, one of which is shared back office services. These are those services necessary for the functional operation of the organization, but that are not necessarily tied to the organizational mission, such as benefits administration, financial management and accounting, information technology training and support, and more. Sharing of office space is another possibility, allowing organizations to pool resources to pay for janitorial services or office equipment and services such as phone systems and copiers, such as the services currently provided by the Volunteer Action Center in the Parkersburg area. Funding would be required to expand what the Volunteer Action Center already provides, or to find another intermediary organization that might be able to provide such services. It would be essential to keep the cost of these services low so that they would be affordable to the smaller organizations, which may also require funding from outside sources to supplement any fee schedule. By outsourcing basic functions to another entity, the organization is freer to focus their resources on programming as well as ways to enhance their overall organizational effectiveness.
- *Provide Support for Organizations Considering Mergers*—The merger of some or all of the function of an agency with another may seem like a logical solution to limited resources. After all, the alternative is often closing shop. However, there are a number of issues related to organizational culture, hierarchy, and delivery of services that almost immediately come to the fore when talks of a merger occur, particularly related to organizational culture and financial resources. One of the reasons that mergers do not always succeed is that organizations move forward without being familiar with the complex tasks that need to be carried out in order to make the merger a success. A consultant should be brought in early in the process to determine the feasibility of the merger before it proceeds, and to give both sides a clear understanding of what needs to be done, and what the change will look like. A source of funding available to engage technical assistance regarding mergers would encourage organizations to consider this option as well as make them more likely to be successful.
- *Conferences*—Conferences are excellent opportunities for networking and professional development. Funders could provide scholarship monies, as mentioned above, to promote attendance at existing conferences in either Ohio, West Virginia, or at the national level. Another alternative would be to develop and fund a re-

gional conference that draws nonprofit organizations from both states to promote a regional approach to organizational capacity building.

5. Enhance Technical Assistance Opportunities—The provision of direct, hands-on support for various managerial challenges for the nonprofit agency can take a variety of forms, including consultants, student projects, interns, volunteer experts, and more. These forms of assistance can be individualized to the specific needs of an organization, rather than a more global approach that describes what an ideal organization should be doing. This can be helpful when an organization needs an objective point of view or when the agency needs a specialized area of expertise that may fall outside the skill set of the current staff. There are some organizations in the area that provide technical assistance; however, it seems from both the quantitative and qualitative findings of this study that there is a clear need to enhance the opportunities that do currently exist. Of course, as with most recommendations, the first step to developing many of these specific recommendations is funding.

- *Consultant Directory*—The Ohio Nonprofit Resource Network has a consultant directory available online. We were unable to find detailed information about this consultant directory—when it was last updated, how the consultants were vetted, etc. As a result, we cannot say at this time whether the Ohio Nonprofit Resource Network is a current, up to date resource that could meet this need. In addition, there currently does not appear to be an active consultant directory in West Virginia. The creation of a consultant directory specifically tailored to this region — and one that specifically crosses state lines — could be an invaluable resource.
- *Ask an Expert*—Resource constraints may make it difficult, if not impossible, to hire a consultant. Some organizational needs may also be as “simple” as being able to ask a question that may not require a longer term commitment to a consultant. Ohio University’s Regional Nonprofit Alliance is planning to develop an expert bank where nonprofits would call the Alliance, which would then match the question with an appropriate volunteer expert. These volunteer experts would be asked to commit to answer approximately two questions per month. While the experts will be volunteers, some funding will be necessary for the recruitment process as well as to provide some recognition for the volunteers.
- *Regional Consultants*—As mentioned previously, a number of the organizations described in the Regional Profile offer some form of technical assistance. However, the availability of this assistance is uneven, as was the knowledge of these resources among the members of the nonprofit community that participated in this study. A regional consultant could be hired to provide technical assistance to nonprofits in the region, eventually moving toward a team of consultants if the approach is successful. In addition to direct technical assistance to organizations, the consultant(s) could also provide some workshops as well. The challenge of a regional consultant would of course be finding funding to pay for the salary of such an individual. A related concern would be finding an organization to house the consultant. The participants in the qualitative portion of the study specifically requested the hiring of an information technology specialist to be shared across the region.

- *Student Interns*—One of the types of technical assistance seen as most effective in the quantitative portion of the study was the use of student interns. Many regional colleges or universities either encourage or overtly require students to complete internships or co-op experiences in which they apply the knowledge learned in the classroom to a real-world setting. Despite this opportunity, many nonprofits struggle to attract interns because of their inability to pay an adequate salary – if they can pay one at all. In order to promote nonprofit internship opportunities, a fund to pay for student interns would be beneficial. This fund could be administered by an intermediary agency or the institutions of higher learning themselves. Funding would be useful to help nonprofits market their internship opportunities.
- *Service-Learning Projects*—Individual or groups of students from regional colleges and universities have engaged in service learning projects which apply their classroom knowledge to capacity-building projects in nonprofits. This could be expanded by developing some type of standardized process to request assistance. Perhaps a website with a targeted menu or list of project types can be given up front to help organizations identify needs that fit with both the capability levels of the student groups and the time frames of the academic calendar at each particular institution. Specific memorandums of understanding laying out what the student groups will be able to do within the constraints of the academic calendar are also key. Some funding may be beneficial in order to develop online forms to request assistance, or do some type of marketing campaign to regional nonprofits to make them aware of what service learning opportunities are available. It might also be beneficial to have funds available to organizations who have worked with student groups to develop a plan of some kind in order to help them implement a new fundraising strategy, a business plan, etc.
- *Apply for a Regional AmeriCorps VISTA*—AmeriCorps VISTA (Volunteers in Service to America) is a federal program that is focused on poverty alleviation through indirect service. Indirect service means that VISTAs are involved with various aspects of programs, planning, and organizational development. Nonprofit organizations, educational institutions, or tribal or public agencies that have projects that are focused on poverty relief can apply for a VISTA. An intermediary organization of some type could apply for an AmeriCorps VISTA that could develop programming to address a variety of capacity-building needs in the region.

6. Regional Capacity Building Office—Many of the above recommendations would require some type of administrative structure to support the initiative. These could potentially take place within the context of one or more current organizations described in the Regional Profile section with monies from one or more funders at the local, regional, or national level. Funds for these recommendations would have to include monies to defray the additional administrative duties added to the current functions of the organization. This would be an addition to the other work being carried about by that organization, and would require that they either have the resources in terms of staff or volunteers to monitor and manage the program or that the organization seek funding to hire additional personnel.

An alternative to housing the above recommendations within one or more intermediary agencies would be the creation of a new office specifically devoted to capacity-building

initiatives in this specific region. This is obviously a more costly option as it would require the establishment of a new office, but could be perceived as the “one stop shop” that seemed so desirable to study participants. The establishment of a new office specifically for the region might alleviate some of the geographical constraints imposed by state lines. Such an entity could easily oversee any of the above recommendations. Another possibility might be to combine a regional office that focuses on nonprofit development with a program that offers services to entrepreneurs in order to promote economic development in the community as well.

CONCLUSION

The nonprofit community of the Mid-Ohio Valley faces a variety of challenges as they attempt to improve their organizational performance. Given the current state of the economy, these challenges are likely to become more pronounced in the near future. The findings in this study will hopefully provide the nonprofit community as well as those funders who operate in the region with some ideas for how best to tackle these challenges and improve the overall quality of services in the area in a time when they are most needed.

We have made a number of recommendations for all stakeholders to consider when evaluating this complex issue. These recommendations are based on a mix of what we saw as effective practice in similar communities across the country, a review of the literature, and our analysis of the data. We hope they provide a beginning point for discussing the needs of the nonprofit community and what can be done to assist them in improving their organizational health in order to effectively meet their missions.



LITERATURE REVIEW

NONPROFIT BACKGROUND

The nonprofit sector, or charitable sector, is a collection of organizations “dedicated to mobilizing private initiative for the public good” (Salamon, 2002, p. 4). These are typically organizations developed by passionate groups of individuals committed to a particular cause, whether it be supporting the arts, mentoring urban youth, or eradicating hunger. While they are often long on passion for the issue that drives them, they are often short on resources. That makes the organizational capacity, or the ability for the organization to function at its maximum potential, critically important.

The sector includes organizations that are exempt from federal income taxation, under Section 501 (c)(3) of the tax code. These organizations may receive tax-deductible contributions from donors, including individuals or businesses. As of 2006, there are 1,478,194 nonprofit organizations registered with the Internal Revenue Service (IRS), an increase of 36.2% since 1996 (Internal Revenue Service, 2007). The demand for nonprofit organizations has increased due to their ability to address many social issues pertinent to the nation, such as hunger, poverty, homelessness or environmental concerns (McKinsey & Company, 2001). The majority of those nonprofit organizations include public charities or other nonprofit organizations, such as local youth recreational centers, low-income housing projects or domestic violence centers. About five percent of all registered organizations are private foundations. Private foundations are considered charitable organizations; however, they specifically distribute funds to public charities or other nonprofit organizations and do not engage in direct service (The Urban Institute, 2008). For the purposes of this research project, private foundations have been eliminated from our subject pool since their capacity challenges are likely different than those nonprofit organizations that are involved in providing a direct service to the community.

The main focus of this study is nonprofit organizations facing a variety of organizational and managerial challenges. These challenges can be referred to as organizational capacity. This term refers to the tools, resources, partnerships, and programs used to achieve the organi-

zation's mission (Light, 2004). Building capacity allows the organization to achieve its mission with a greater degree of success. The study, utilizing an instrument designed by Indiana University's Center on Philanthropy, breaks organizational capacity down into seven primary dimensions.

DEFINING ORGANIZATIONAL CAPACITY

For nonprofit organizations, capacity building itself can hold multiple definitions due to the breadth and variety of nonprofits themselves. In addition, the term capacity building is used interchangeably with similar ones, such as organizational effectiveness or technical assistance (McKinsey & Company, 2001). Grantmakers for Effective Organizations (GEO) encourages the use of this definition for organizational capacity building:

Organizational capacity building is the application of knowledge and expertise to the enhancement of those factors that contribute to organizational effectiveness. Capacity building focuses on an organization's skills, systems, structures, and strategies. The primary intent of organizational capacity is to enhance an organization's ability to achieve its social mission. (Kibbe, 2004, p. 7).

A key element to this, and virtually all definitions in the literature, is that the organization is able to *effectively achieve its mission*.

Organizational Capacity refers to the tools, resources, partnerships, and programs used to achieve the organization's mission (Light, 2004). Building capacity allows the organization to achieve its mission with a greater degree of success.

Another way to view nonprofit capacity is through a framework of seven essential elements (McKinsey & Company, 2001). This "Capacity Framework" is structured as a pyramid including three important elements: aspirations, strategy, and organizational skills. Aspirations include the mission, vision, and goals of the organization. Strategy includes the set of actions and programs designed to fulfill the organization's goals. Organizational skills include planning programs, managing resources, and building relationships (McKinsey & Company, 2001). The three base elements include systems and infrastructure, human resources, and organizational structure. Systems and infrastructure refer to planning, decision making, knowledge management, and administrative systems. This field also includes the organization's physical and technological assets. Human resources refer to the organizations employment of the board, management, staff, and volunteers. The organizational structure describes the type of board governance and staff structure the organization has designed. Lastly, culture is an important aspect of the organization, including the shared values and practices that help the organization achieve its mission.

Capacity building should ensure that the vision and mission are core concepts directly related to the products and services of that organization. For instance, if an organization's mission is to provide "cultural diversity," they should use this as a criterion for evaluating all programs and events (De Vita, Fleming, & Trombly, 2001). In addition, all leadership, resources, and outreach related to the organization should not only be in direct line with the vision and mission but also the products and services.

DIMENSIONS OF CAPACITY

The most recent survey on nonprofit capacity needs was conducted by the School of Public and Environmental Affairs at Indiana University in 2004 and again in 2008-09. Our study used an adapted version of the instrument used by Indiana University. The instrument asks respondents to analyze their capacity challenges in seven dimensions which are adapted from the “Capacity Framework” by McKinsey & Company (2001), and the research on capacity building by DeVita, Fleming, and Trombly (2001). These dimensions include networking and advocacy capacity, resource capacity (financial), operations and governance capacity, human resources capacity, programs and planning capacity, marketing capacity, and information technology.

Networking and Advocacy

Networking and advocacy capacity centers on the creation and maintenance of relationships with key policymakers as well as constituents (Glickman & Servon, 1998). Networking specifically is the interaction of all major players in a community, including the public sector, the private sector, funders, and other nonprofit agencies (Walker & Weinheimer, 1998).

This dimension includes indicators such as: (1) forming/maintaining relations with other entities; (2) learning best practices from other organizations; (3) strengthening relationships with key policy makers; (4) enhancing public understanding of key policy issues; as well as (5) responding effectively to community expectations (Gronberg, Cheney, Leadingham, & Liu, 2007). In a 2007 study conducted by Indiana University, enhancing public understanding of key policy issues was considered a major challenge by 46% of survey respondents (Gronbjerg et al., 2007). The rest of the indicators above only presented minor challenges to survey respondents.

Issues related to networking and advocacy will likely become more important given the current economic climate. Some nonprofits today are more likely to fail as a result of an overall decline in private donations and a shrinking pool of all types of resources. Past research has concluded that isolated organizations are more likely to fail due to a lack of shared resources and focus on community expectations (De Vita, Fleming, & Trombly, 2001). Nonprofits that move toward forming strategic alliances and pooling their resources are more likely to survive this economic downturn (Collins, 2008).

Financial Resources

Every organization needs financial resources to survive and thrive. Those resources are often scarce in the nonprofit world. The ability to locate and acquire resources, as well as the ability to be good stewards of those resources, is essential for success. Not surprisingly, the 2007 study of nonprofit capacity-building challenges in Indiana found that over 85% of survey respondents identified financial resources as the greatest challenge they faced (Gronbjerg et al., 2007).

For most organizations, the best predictor of success and growth is how much the organization spends financially on fundraising (Light, 2004). Contrary to popular belief, how well a nonprofit reduces administrative costs is not a factor in predicting growth. Emphasizing strategic positioning, such as fundraising and mission related activities, can elicit more contributions than focusing on basic operations, such as managing facility space (Light,

2004). For instance, there are more fundraising opportunities available now using the Internet. These include YouTube's Nonprofit Program, where organizations can post videos and include a Google checkout link for donations. Nonprofits can utilize blogs, social networking

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sites such as Facebook or MySpace, and podcasts to promote their mission and to help raise funds at a low cost (Bush, 2007). These methods not only increase fundraising opportunities but also help the organization spread awareness of its mission.

Indicators related to financial resources in this study include: (1) managing finances or financial accounting; (2) obtaining funding or other financial resources; (3) writing grant proposals; (4) securing foundation or corporate grant support; (5) securing government grants or contracts; (6) developing a capital campaign for needed expansion; (7) undertaking special events; (8) expanding the donor base; and (9) building an endowment (Gronbjerg et al., 2007).

Operations and Governance

Operations and governance involve the managerial and leadership capabilities of an organization through both its staff and its board of directors. The operations and governance dimension of capacity in this study includes: (1) undertaking strategic planning for the organization; (2) improving management skills; (3) managing or improving board/staff relations; (4) establishing organizational culture; (5) training and/or developing the board; (6) performing routine tasks indirectly related to mission or goals; and (7) managing the facilities or space the organization uses (Gronbjerg et al., 2007).

According to the Indiana study of nonprofits, training or developing the board of directors of a nonprofit organization is the most significant challenge (79%) in the category of operations and governance (Gronbjerg et al., 2007). This is followed closely by improving management skills, strategic planning, establishing an organizational culture, and improving the board/staff relations. Managing facilities or space and performing routine tasks related to the mission were described statistically as non-significant challenges (Gronbjerg et al., 2007).

The Indiana findings support a study by Chait, Holland, & Taylor (1996), which examined board members and trustees and found that many of them do not receive any formal education when joining a new board. In addition, most board members are required to learn passively through observations and do not partake in active learning (Chait, Holland, & Taylor, 1996). Many nonprofits trust their board members to make decisions without formal training or orientation programs for new board members. This problem could have a ripple effect throughout the organization and its level of performance.

The most obvious effects are an overreliance on the staff to make overarching policies and strategic planning, an inability to evaluate programs and interpret results, and a limitation on the board's interest in financial resources (Chait, Holland, & Taylor, 1996). An additional problem is that, "Board members are primarily considered a source of knowledge – not individuals with a need for knowledge" (Chait, Holland, & Taylor, 1996, p. 86). Many board members also believe previous experience working with nonprofits accounts for lack of knowledge. For instance, if your résumé shows that you have worked with a board before, many people think you do not need to be retrained to work with a different nonprofit even if its mission, vision, goals, and overall structure are different. Training the board can be an easy fix to other area problems within an organization.

Generally speaking, the board's performance is linked to the other areas of operations and governance such as management skills, strategic planning, and board/staff relations. Having set procedures and processes for the board increases their ability to oversee the organization on three different dimensions, analytic, educational, and interpersonal (Brown, 2005). Brown found a significant positive relationship between organizations with larger staffs and overall board performance. Research shows that organizations with the highest board performance rates also had the highest budgets (Brown, 2005). Developing a high performing board could increase the capacity of an organization.

Human Resources

Every organization has to focus on the recruitment, retention, and professional development of those individuals who work with the entity in any way. In short, effective organizations of all types have to focus on how to develop their human resources. In the case of nonprofit organizations, these human resources involve paid staff — including managerial and line staff positions — as well as volunteers — including board members.

The human resources category for the purposes of this study includes indicators such as: (1) managing staff and/or volunteers; (2) recruiting/keeping qualified staff; (3) staff training; (4) recruiting/keeping qualified and reliable volunteers; (5) volunteer training; (6) recruiting/keeping effective board members; and (7) board training (Gronbjerg et al., 2007). All of these indicators were reported as at least a minor challenge by two-thirds respondents in the Indiana nonprofit capacity study (Gronbjerg et al., 2007). Seventy-eight percent of respondents found board training to be a minor or major challenge, including one-third of respondents considering it to be a major challenge.

Research suggests that while nonprofits report board recruitment problems, populations of people are being neglected and under-represented on midsize nonprofit boards. These groups of people include ethnic and racial minorities, those over 65 and those under the age of 35. These findings were based on a national sample of nonprofits in the midsize budget range from \$500,000 to \$5 million (Ostrower, 2008). This research suggests that when recruiting board members, it is important to identify and select members who represent the people the nonprofit is serving. Overcoming barriers such as diversifying the board may lead to an increase in public confidence and more funding. Organizations that use criteria such as, "Willingness to give time" or "Knowledge of the organization's mission" tend to recruit board members who are more actively engaged. Using friendship with current board members as a recruitment criterion is negatively associated with levels of board activity (Ostrower, 2008). Generally, placing an emphasis on participation and knowledge will yield an active and engaged board which would require less active training of board members.

There has been a noticeable decline in volunteering rates in the United States since 2003 (Bureau of Labor Statistics, 2008).

Young people in their twenties were least likely to volunteer, whereas persons age 35 to 54 were most likely to volunteer. Those with more education are more likely to donate their time (Bureau of Labor Statistics, 2008). About 4 in 10 college graduates will volunteer, which is a higher rate than high school graduates, and those without a diploma. About 44.6% of volunteers started volunteering because they were asked to by someone in the organization (Bureau of Labor Statistics, 2008). Based on these statis-

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tics, it might be beneficial to nonprofit organizations to have a volunteer recruitment program in order to attract volunteers who are more likely to participate with the organization.

Programs and Planning

Programs and planning are the very heart of what occurs in a nonprofit organization. Many nonprofits develop to address a particular set of community needs or challenges. They do so through the delivery of a variety of programs designed to meet the needs of their target audience and the community at large.

In order to deliver quality programming, an organization must plan effectively, which requires them to develop an organizational vision and mission. The vision and mission of the organization state why the organization exists and are key to building capacity through effective planning. The vision and mission should be able to attract leaders who have the same vision (De Vita, Fleming, & Twombly, 2001). In order to meaningfully evaluate the performance of the organization, an element of effective planning, vision and mission must both be taken into consideration. The aspirations of the organization, such as vision, mission, and goals, should be constructed so as to serve as outcome measures or guidelines in evaluation of programs and planning in order to determine if programming should be adjusted (De Vita, Fleming, & Trombly, 2001; McKinsey & Company, 2001). One approach that can be taken in planning is a “zero-based planning” structure, where the organization starts fresh periodically and eliminates any programs that do not contribute directly to the mission (Light, 2004, p. 149). This helps constrain unnecessary costs to the organization and refocuses on developing the organization to sustain excellence (Light, 2004). The aspirations of an organization should be evaluated every two to three years to ensure relevancy.

There are five indicators under the programs and planning dimension in this study: (1) focusing on the vision and mission; (2) delivering high quality programs/services; (3) assessing community needs; (4) attracting new members/clients; and (5) evaluating or assessing program outcomes or impact. Three-fourths of survey respondents in the Indiana study of nonprofits stated that evaluating or assessing program outcomes or impact is a minor challenge, with 30% considering it to be a major challenge (Gronbjerg et al., 2007). In addition, assessing community needs and attracting new members or clients is a major challenge for 25% of respondents and a minor challenge for 66% of respondents. Very few respondents stated that focusing on the mission or vision of the organization is a challenge (Gronbjerg et al., 2007).

Marketing

Nonprofit marketing is different from the for-profit sector because it focuses not on tangible outcomes for the consumer, but on social behavioral change that may benefit the larger community rather than just the individual (Dann, Harris, Mort, Fry, & Binney, 2007). In this sense, nonprofit marketing is more related to social marketing, in attempting to recruit members for the organization as volunteers, staff, board members, and contributors, as well as to understand charitable behavior of the community. Kotler and Anderson (2007) state that nonprofit marketing utilizes methods used in commercial, or for-profit marketing, in order to acquire resources to deliver programs as well as provide for the continued existence of the organization (Dann et al., 2007). Marketing directors of nonprofits often note the difficulty of marketing for nonprofits because of the lack of tangible, measurable outcomes (Hal, 2006). In addition, nonprofit marketers note the added challenge of the slow pace of deci-

sion making involved in their sector versus the fast paced orientation of the private sector. Nonprofit marketing needs to be examined differently than business marketing because of the nonprofits social service focus as well as the need of the community for the nonprofit to succeed. Goals should be created to help the nonprofit measure and evaluate its marketing effectiveness because of the lack of tangible outcomes.

Marketing, for the purpose of this study, includes seven indicators: (1) defining constituency groups; (2) meeting the needs/interests of current members or clients; (3) accessing research or information on programs/services; (4) developing targeted communications to community; (5) adjusting programs/services to meet changing needs; (6) communicating with members/clients; and (7) enhancing the visibility/reputation of the organization's activities. All seven of these subcategories were reported to be at least a minor challenge by more than 60% of Indiana survey respondents (Gronbjerg et al., 2007). About half of the organizations reported enhancing the visibility and reputation of the organization and developing targeted communications to community to be a major challenge. About 25% of respondents stated that defining the organizations own constituency groups and adjusting programs or services to meet changing needs to be a major challenge (Gronbjerg et al., 2007).

About half of the organizations in the Indiana University study reported enhancing the visibility and reputation of the organization and developing targeted communications to community to be a major challenge.

Information Technology

Information technology has become an important component for organizational effectiveness across all sectors in recent years. Information technology includes the ability of the organization to not only identify the types of computer hardware and software that are critical to their success, but also the ability to afford to purchase or in some way acquire these key resources. Acquiring these resources is only the tip of the iceberg, however. Once they are obtained, paid staff and/or volunteers have to be able to use them effectively, which may require costly training. The equipment also must be maintained if it is to be of use to the organization. The organization also must have the ability to make repairs when necessary, either in-house or by having the financial resources to hire someone to manage them. Information technology has also come to mean the ability of the nonprofit organization to utilize communication tools, such as websites, social networking sites, and more.

In a study of how small nonprofits adapt and use technology, it was found that the most successful organizations included technology use in their strategic plan (Silverman, Rafter, & Martinez, 2007). The least successful organizations began technology use without planning staff training. Overall, the study found that factors that led to successful technology integration included having at least one staff member who is technologically savvy, being creative about the uses of technology, researching the various potential uses of any technology, allocating financial resources and time for training before adopting new technologies, interest in adoption among the staff, and a willingness to listen to feedback from the end users of the technology --the clients served by the organization (Silverman, Rafter, & Martinez, 2007).

The indicators that make up the information technology dimension in this study include: (1) knowing how technology helps achieve your mission or goals; (2) identifying technology tools and resources for service delivery; (3) communicating information technology (IT) needs to decision-makers or funders; (4) upgrading computers to support new software; (5) creating, updating, and effectively using databases; (6) creating a comprehensive and

interactive website; (7) training staff or volunteers in software applications; and (8) getting IT assistance. About 50% of Indiana survey respondents stated that training staff in information technology as a minor challenge, followed by 40% of respondents stating that website development was a minor challenge. Thirty-six percent of respondents stated that website development was a major challenge. As suggested by experts in nonprofit marketing, the organization's website should be the central hub for the organization, with many updates and newsfeeds (Hal, 2006). Development of a database is a major challenge reported by 38% of respondents.

TYPES OF ASSISTANCE

The current study asked open-ended questions regarding the top three capacity-building needs of an organization, as well as their top three technical assistance needs. These two terms are often seen as synonymous by practitioners. However, the literature indicates that technical assistance, rather than being synonymous with capacity building, is instead a method of building capacity (Backer, 2001; Walker & Weinheimer, 1998; Glickman & Servon, 1998). Technical assistance often includes assistance such as training or working with consultants. In fact, consultants often refer to their work with nonprofit organizations as providing technical assistance. Technical assistance can be provided in any of the dimensions of capacity previously described. In the current study, respondents were asked to evaluate the effectiveness of several forms of technical assistance, including workshops, outside consultants, student interns, and loaned executives

Technical assistance is one of three types of assistance examined in this study. In addition to technical assistance, respondents were asked to evaluate two types of peer learning — learning from others or joint activities with other organizations. An environmental scan of capacity building commissioned by the John S. and James L. Knight foundation noted that capacity building initiatives which provide opportunities for peer-to-peer networking, mentoring, and sharing of resources tended to be the most effective (Backer, 2001).

The third category of assistance included in the closed-ended evaluation of types of assistance was funding. Funding to facilitate capacity building can take a variety of forms. For the purposes of this study, multi-year funding, challenge grants, low interest loans, general overhead funding, endowment funding, small targeted grants, and challenge grants were evaluated by respondents.

STANDARDS FOR EXCELLENCE

A question that is specific to the current version of the survey asks whether organizations are aware of the Standards for Excellence and whether or not the organization uses these Standards. In 1998, the Maryland Association of Nonprofit Organizations (Maryland Nonprofits) began the Standards for Excellence program, a code of conduct to serve as a guide for ethical practices and accountability for nonprofit organizations. Since 1998 this set of standards has been adopted by associations of nonprofit organizations in eight separate states including the two states in this study — Ohio and West Virginia — as well as Colorado, Louisiana, Maryland, Oklahoma, Delaware, and Pennsylvania (The National Standards for Excellence).

The Standards for Excellence are based on fundamental values such as “honesty, integrity, fairness, respect, trust, compassion, responsibility, and accountability” (The National Stan-

ards for Excellence). From these ideals, eight “Guiding Principles” and 55 “Standards” were developed, which were meant to act as benchmarks by which to measure an organization’s adherence to responsible governance and fulfillment of its obligations to clients, donors and the general public (The National Standards for Excellence).

The eight guiding principles developed by The Standards for Excellence are: Mission and Program, Governing Body, Conflict of Interest, Human Resources, Financial and Legal, Openness, Fundraising, and Public Affairs and Public Policy. The Mission and Program component refers to the importance of a nonprofit having a clearly stated and well-defined organizational purpose and subsequent programs. A nonprofit’s Governing Body should be composed of volunteers committed to the organization who will determine and monitor the mission, programs, finances, and management of the institution. A regularly implemented policy to monitor Conflicts of Interest should be in place to prevent individuals within the organization from acting in their own interest above the interests of the organization. Human Resource policy within the organization should emphasize the importance of its members and establish clear expectations, be equitable, and provide for evaluation. Financial and Legal considerations should be addressed via the accurate documentation of financial resource allocation and periodic reviews to address potential liabilities and regulatory issues. Nonprofits should operate with a standard of openness and embrace a willingness to share information about their organization with members of the public. Fundraising should be conducted with honesty and responsibility, and the resulting funds applied with consideration for the donors’ intent. Nonprofits should faithfully represent the Public Policy and Public Affairs interests of their communities and encourage its members’ participation (The National Standards for Excellence).

Nonprofits should operate with a standard of openness and embrace a willingness to share information about their organization with members of the public.

In order to achieve certification by the National Standards for Excellence, organizations have to attend initial training sessions where they receive extensive materials to familiarize the organization with the standards. Then there is an application process, during which the organization completes an extensive self-assessment. The application is reviewed by the replication partner, then a peer review team, and finally an advisory board. Organizations who are certified are required to re-certify after three years.

In Ohio, 22 organizations have achieved Standards for Excellence certification. The Ohio Association of Nonprofit Organizations (OANO) utilizes the eight principles of the standards, making the resources of the Standards for Excellence available to its members in order to encourage public accountability and enhance the profile of nonprofits statewide. OANO does not plan to seek mandatory certification for Ohio’s nonprofits.

Currently there is only one organization listed that uses the Standards for Excellence in West Virginia — the West Virginia Community Development Hub. The Hub is a recent merger of two organizations, one of which — the Community Development Partnership of West Virginia — was the original replication partner of the National Standards for Excellence. The Hub is now the official replication partner, which means that it is able to deliver the training required for organizations to begin the certification process.



REGIONAL PROFILE

The geographic area targeted in this study is a segment of the overall Appalachian region. Counties in both Ohio and West Virginia were included. Poverty levels in the area are above national averages. According to the 2000 census data, Appalachian Ohio has 13.6% of its population living below the poverty line, while West Virginia experiences a 16.2% rate—compared to the national rate of 12.7% (Ohio University, 2009a; Ohio University, 2009b). The median income level in West Virginia is \$10,000 less than the national median; the Appalachian Ohio median lags the national average by well over \$12,000. U.S. Census data also indicates that 34.3% of Appalachian Ohio residents are eligible for foodstamps and only 12.3% of residents hold a bachelor's degree or higher, 12.1% below the national average (Ohio University, 2009a). The number of West Virginia residents without high school degrees is 5% higher than the national average, and the number of those over 24 who have at least a bachelor's degree is roughly 10% below national average.

Residents of an area that has such pervasive poverty levels naturally have challenges in many aspects of their lives, from health care and education to unemployment and housing. It seems only natural that such a large number of nonprofit agencies have developed to meet this array of human services needs, not to mention nonprofits whose organizations target other areas, such as the arts. At the same time, funding for nonprofit agencies in a community that faces such resource challenges is difficult in the best of economic times.

Despite such obstacles, the nonprofit community sees much strength in the region. During our focus group sessions, participants in both sessions described the nonprofit community at large as very collaborative and supportive of each other and their clients. Participants also described the area as perhaps deficient in resources, but abundant in terms of human energy and focus on the various missions that drive nonprofit agencies in the region. Additionally, there are a number of resources — public institutions, nonprofit associations, funders, and educational institutions — which provide assistance to the nonprofit commu-

During our focus group sessions, participants in both sessions described the nonprofit community at large as very collaborative and supportive of each other and their clients.

nity in the region in various ways. Identifying what resources are currently available may provide a better understanding of what current needs are, and provide more comprehensive recommendations for improving the capacity building and technical assistance available to regional nonprofits.

Many of the organizations included in this section were specifically mentioned by members of our focus groups when asked to describe what resources for capacity building were present in the region (there was also mention of assistance available to some entities through their parent organizations, such as the American Red Cross, Girl Scouts of America, or Habitat for Humanity, but those resources are only available to specific organizations rather than the entire region). Other resources included below were located through extensive web research and discussions with funders, capacity building professionals, and follow-up conversations with participants.

EDUCATIONAL INSTITUTIONS

There are several post-secondary institutions in the area that provide some level of assistance to local nonprofits through continuing education programming, advanced degrees, project based and service-learning opportunities, and internships.

Marietta College

Marietta College, located in Marietta, Ohio, is situated in Washington County, directly on the Ohio-West Virginia border. Marietta College is a small liberal arts college, which primarily grants undergraduate degrees. Service to the region is one of the nine core values that guide Marietta College and its mission.

The faculty and students of Marietta College interact with the nonprofit community primarily through experiential education — service-learning projects and internships. Some majors or minors require students to complete at least one internship experience prior to graduating, which may in fact take place in the nonprofit community. In addition, the campus participates in two campus-wide days of service annually, projects which directly benefit the overall community as well as the various agencies that sponsor the individual projects.

The McDonough Center for Leadership and Business at Marietta College has a great deal of community involvement. A focus on community engagement is a centerpiece of the leadership experience for all McDonough Scholars. These students complete a separate application process to participate in the McDonough Leadership Program, which has an International Leadership Studies major, a minor and certificate in Leadership Studies, and a Teacher Leadership certificate. Each of these degrees require students to complete anywhere from 25 to 125 hours of service prior to graduation.

In addition, core courses within the Leadership program include service-learning components that require students to participate in content specific projects that benefit community partners, while allowing the students to apply their work in the classroom. Finally, students completing the minor in Leadership Studies or the International Leadership Studies major or required to complete an experiential component to graduate; this may be in the form of an internship experience. A small fund was established in 2006 called the Schwartz Internship Initiative, which provides a small stipend to students who pursue internships in nonprofit agencies.

The Marietta College Legacy Library is also home to one of the 300 cooperating collections from the Foundation Center. The Foundation Center is the nation's largest comprehensive online resource with detailed grant related information. The Marietta College Library offers free on-site access to this resource, as well as assistance to nonprofits in finding sources for funding and grant seeking. While some of the Foundation Center's resources are available for free on the Internet, the cooperating collection has more detailed and comprehensive search tools that an organization can use to target funders and grant opportunities. The library also contains print resources from the Foundation Center as well. Occasionally the Foundation Center and the Marietta College Library have partnered to offer workshops of interest to local nonprofits in the area of grantmaking.

Ohio University

Ohio University is a public institution located in Athens County, Ohio, with over 250 undergraduate programs as well as a number of graduate programs. The campus has an Office of Campus-Community Engagement that promotes volunteerism and service-learning. Additionally, students in many degree programs are expected to complete internship programs.

The Voinovich School of Leadership and Public Affairs at Ohio University is a key program on campus in terms of community outreach. It is a competitive program with rigorous admission requirements for undergraduate participants. The Voinovich School has a public service and leadership focus area which serves the community through providing technical assistance and engaging in applied research. Students engage in service-learning projects that assist local nonprofits. Additionally, the school provides leadership-training programs for public and nonprofit managers, such as the Ohio University Executive Leadership Institute, the Ohio Appalachian Educators Institute, and the Ohio Certified Public Manager Program.

The Master of Public Administration (MPA) program offered at Ohio University also engages in extensive service-learning work. MPA students are required to participate in a practicum experience which requires them to engage in team projects in nonprofit organizations. During the 2008-09 academic year, the MPA students, led by Dr. Judith Millesen, the program director, worked with three local organizations on a variety of capacity-building projects. The MPA program is one possibility for nonprofit practitioners seeking to expand their professional expertise in the field while attaining an advanced degree. In addition, there are plans for this MPA program to have a concentration in nonprofit management when Ohio University transitions to a semester system in 2012.

Ohio University has recently launched the Regional Nonprofit Alliance. The Alliance is a collaborative effort of the Voinovich School of Leadership and Public Affairs and the Office of Campus-Community Engagement which was generously supported by Sugar Bush Foundation. The Alliance is an interdisciplinary office designed "to enhance the capacity of nonprofits organizations in rural Appalachia through training and technical assistance" (Ohio University, 2008). In its first year the Alliance has launched a comprehensive website that includes extensive resources for nonprofit organizations, best practices, information about local funders, data profiles of the region, a comprehensive community calendar, and information about upcoming training opportunities throughout the region.

Ohio Valley University

Ohio Valley University (OVU) is a private, liberal arts, four-year institution located in Wood County, West Virginia. OVU is a faith-based institution affiliated with the Church of Christ. OVU offers a variety of degree programs for traditional undergraduate students, as well as continuing education coursework.

Ohio Valley has a School of Professional Studies, formerly the Institute for Adult Learning, which provides career advancement opportunities through both degree programs and certifications. One of these certificate programs includes a program in Non-Profit Organization Management. The courses are offered on an as needed basis when a critical mass of interested students is available. It is an opportunity for practitioners currently working in nonprofit agencies to further their skills in a number of management related areas that may improve organizational capacity.

Washington State Community College

Washington State Community College (WSCC) is located in Washington County, Ohio. It is a community college that graduates nearly 350 students annually and offers over 50 degrees and certificate programs to its students.

One of the certificate programs offered by WSCC that would be applicable to the nonprofit community is a certification in Grants Development. This six-course, fifteen credit hour program has been developed to meet potential future requirements of the Grant Professionals Certification Institute of the American Association of Grant Professionals. The approximate cost of the program is \$1,627.

West Virginia University at Parkersburg

West Virginia University at Parkersburg (WVU-P) is a public community college affiliated with the West Virginia University system located in Wood County, West Virginia. WVU-P offers baccalaureate degrees, associate degrees, and has a number of continuing education programs as well. WVU-P students are engaged in their community in various ways, including co-op placements or internships that may take place in nonprofit settings.

West Virginia University at Parkersburg has a Workforce and Community Education program that focuses on “the design and delivery of innovative solutions to enhance the performance levels of individuals or organizations” (West Virginia University at Parkersburg, 2008). The Workforce and Community Education program delivers a variety of services for the community, including a Small Business Development Center, and a variety of training options that may be of use in capacity development in nonprofit organizations as well as for-profit ones. Preliminary conversations about a workshop series for nonprofit agencies to be hosted by Workforce and Community Education in conjunction with Ohio University have taken place as well, so it appears that WVU-P is also an organization that has a great deal to offer in terms of capacity building in the region.

West Virginia University

West Virginia University (WVU) is a public university with over 185 majors available to undergraduate and graduate students. WVU's main campus is located in Morgantown. The

West Virginia University Division of Social Work offers a Continuing Education Certificate in Nonprofit Management. The program is designed for current nonprofit executives, or those who wish to pursue a career in nonprofit management. The coursework is offered through a workshop series. The program is self-paced, though participants must finish within three years. A total of 100 hours in seven core areas is required: nonprofit fundamentals (10 hours, minimum of two workshops); board of directors/governance (10 hours, minimum of two workshops); human resource development (15 hours, minimum of three workshops); resource development (15 hours, minimum of three workshops); financial management (15 hours, minimum of three workshops); service provision (15 hours, minimum of three workshops); and electives (20 hours, minimum of four workshops). A half-day capstone session is also required for completion. These core areas do not have to be completed in any particular order, and a participant can receive mini-certificates as he or she finishes each area.

Workshops are offered by WVU's Division of Social Work on a regular basis. However, workshops held by other agencies may also be used to satisfy program requirements. Sometimes these workshops are pre-approved and advertised; for example, the recent Faces of Leadership Conference put on by the West Virginia Commission for National and Community Service has 66 sessions that are already approved for the certificate. Participants can also request approval prior to attending other workshops so that they may apply as well. Therefore, a participant does not necessarily need to attend sessions at WVU to complete this certificate program.

CURRENT NONPROFIT RESOURCES

Both Ohio and West Virginia have a wide variety of agencies and associations — all nonprofit entities themselves — that are charged with assisting in the development of the nonprofit community in some way. What each agency offers in terms of capacity building resources varies, but primarily consists of training opportunities.

Appalachian Regional Commission

The Appalachian Regional Commission (ARC) serves the distressed counties and areas within the thirteen state Appalachian region, which includes both Ohio and West Virginia. The ARC has focus areas that include improving the capacity of the people of Appalachia to compete in the global economy, and increasing job opportunities and per capita income in the region, target areas for many of the nonprofit agencies in the region. The ARC provides funding to several hundred projects annually that support these goals.

The ARC has a category of funding that focuses on leadership development and civic capacity. Eligible programs for grant funding in this area include activities that help develop leadership abilities among the management staff from nonprofit organizations. In addition, the ARC provides technical, managerial, and marketing assistance to new businesses in the region, which could easily include nonprofit agencies as well. As a result, the ARC is potentially a valuable resource in capacity building initiatives in the region.

Corporation for Ohio Appalachian Development

The Corporation for Ohio Appalachian Development (COAD) is a nonprofit organization serving rural counties in southern and eastern Ohio. COAD is comprised of seventeen Community Action agencies that serve a 30 county area across Ohio.

COAD provides an Appalachian Leadership Academy, a professional development opportunity for practitioners working in nonprofit agencies in Ohio. The program seeks to develop leadership capacity and an ability to think strategically about the needs of the region. Focus areas include self-knowledge, human resource management, visioning, effective communication, and effective management practices, all areas that may potentially develop organizational capacity. The program consists of monthly class sessions and culminates in a two day retreat. The cost is \$1,200 per participant, in addition to lodging, per diem, and mileage expenses. Participants can seek continuing education units through Ohio University for their participation.

COAD is also responsible for the delivery of capacity building training in southeastern Ohio that is funded through the Ohio Governor's Office of Faith-Based and Community Initiatives. The initiative is the Ohio TANF Training Program (OTTP), associated with the Temporary Assistance to Needy Families (TANF) program. It initially included capacity-building trainings, technical assistance, one-on-one mentoring, and a mini-grant program statewide through four regional partners. Due to state budget constraints the mini-grant program is not currently being funded. Each session is free to participants, and offers networking opportunities and a chance to sign up for technical assistance related to the topic area. The southeastern regional trainings through COAD included: (1) Establish your Organization; (2) Board Development; (3) Financial Management; (4) Grant Writing; (5) Fund Development; (6) Outcomes Management; and (7) Human Resources and Volunteers. These sessions served 273 attendees from 101 nonprofits and faith-based organizations. In addition, 25 organizations received one-on-one technical assistance.

Mission West Virginia

Mission West Virginia is an organization that developed in the 1990s that endeavors to provide resources and various types of support to nonprofits and the faith-based community in West Virginia and eastern Kentucky. Mission West Virginia seeks to develop collaborative efforts between nonprofit agencies, churches, government agencies, institutions of higher learning, and the for-profit sector. Mission West Virginia has offered to be the training arm of the West Virginia Community Development Hub, drawing on its previous experience delivering training in a variety of areas.

Mission West Virginia contains several programs that may be of assistance to nonprofit agencies. The organization currently has six separate initiatives, two of which are related to capacity building.

e-Impact: The Mission West Virginia e-Impact program is a series of technology initiatives that attempt to help Appalachian residents attempt to bridge the digital divide in a number of ways, such as the development of community learning labs in rural communities or computer training camps for youth. The program that may assist nonprofit organizations in the area is the computer sales program, which provides computers to nonprofit organizations throughout the state at affordable rates.

Wellspring: A second program described by Mission West Virginia's website is the Wellspring Center, which is described as helping "grass-roots organizations grow through technical assistance, trainings, financial assistance, and other capacity building resources" (Mission West Virginia, Inc., 2009). The program was grant funded, and is currently in hiatus awaiting funding. Mission West Virginia has

applied for federal stimulus monies that may be used to restart this program in the future.

Ohio Association of Nonprofit Organizations

The Ohio Association of Nonprofit Organizations (OANO) is a member organization formulated in the early 1990s to serve as a statewide network for nonprofits. There are currently over 600 members. OANO seeks to be a source of information about public policy related to nonprofits, an advocate for nonprofits in the public arena, and a provider of resources such as training and technical assistance for nonprofits.

OANO offers a variety of trainings to the nonprofit community. Organizations do not need to be members to attend workshops; however, rates for member organizations are lower or sometimes free. Training is available statewide, though currently all training listed on the OANO website takes place in the Columbus area, a potential roadblock for nonprofits in this study. This may be an anomaly as the site mentions that there are 50 regional educational programs annually. OANO also hosts an annual statewide conference.

OANO also has a resource library available to members only. This library is located in Columbus, which again is a potential barrier for the nonprofit community in southeastern Ohio. Other member benefits include free networking receptions and a newsletter that focuses on public policy issues and other subjects of interest to the nonprofit community. Members also have access to individual technical assistance from OANO staff.

OANO is also the provider of the voluntary certification program known as the Standards for Excellence, with the goal of increasing public confidence in the nonprofit sector. Sample policies and procedures offered to OANO members are based on these standards, even if an organization is not currently pursuing certification.

Ohio Governor's Office of Faith-Based and Community Initiatives

As mentioned earlier, the Ohio Governor's Office of Faith-Based and Community Initiatives (FBCI) has been involved in capacity building efforts in the region. This office provided the Ohio TANF Training Program in 2008-09, in which capacity-building training was provided to 101 nonprofit and faith-based organizations in southeastern Ohio; technical assistance was provided to 25 organizations as well.

Prior to the Ohio TANF Training Program, the FBCI provided a four-year program called the Ohio Compassion Capital project, which focused on the provision of training, technical assistance, and mini-grants that would improve organizational effectiveness. The organizations selected as regional training and mentoring partners were based in Columbus (2 organizations), Cleveland, and Cincinnati. Though they were not based in southeastern Ohio, organizations in that region were able to participate. As part of that project, an extensive training manual was developed covering eleven topics critical to organizational effectiveness, including board development, collaborations, establishing your organization, fiscal management, fundraising, human resources/volunteer management, internal fiscal controls, outcomes management, proposal development, strategic planning, and technology. The manual is available for free on the FBCI website.

Ohio Grantmakers Forum

The Ohio Grantmakers Forum is an association of funders, including foundations and corporate giving programs, across the state of Ohio. It endeavors to provide a structure for organized philanthropy statewide. The organization provides an opportunity for funders to network with one another, share and disseminate information to their peers, and discuss best practices.

The Ohio Grantmakers Forum does provide ongoing programs and events, as well as an annual conference. For the most part these programs are targeted toward their membership, the funding community. However, on occasion the Ohio Grantmakers Forum does offer programming that would be applicable to the larger nonprofit community as well. Additionally, this organization would be a logical and appropriate place to begin focused discussion about the role of the funder in developing organizational capacity in the nonprofit community.

Ohio Nonprofit Resources

Ohio Nonprofit Resources is a free service provided by the Ohio Association of Nonprofit Organization. Ohio Nonprofit Resources is a collection of online resources and a network of individuals and organizations that specialize in capacity building and technical assistance.

One of the primary features of the Ohio Nonprofit Resources site is a consultant directory. The directory currently contains 107 consultants and trainers. An organization can search by specialty area, or use advanced search techniques to narrow the search to a geographic region or the client mission area. In order for a consultant or trainer to be listed in the directory, Ohio Nonprofit Resources must have received no less than three references from nonprofit clients.

The Ohio Nonprofit Resources website has other resources, such as an events calendar, searchable sample documents, a list of links, a discussion board, and helpful articles. Unfortunately, it appears that many of these resources are underutilized. There are no sample documents currently available. The last discussion board posting was in 2005, and the sample articles are relevant, but from several years ago. It is unclear whether or not any of the sites features – including the consultant directory – are being updated.

West Virginia Community Development Hub

The West Virginia Community Development Hub is a recently established organization that is the result of the merger of two statewide nonprofit organizations that had parallel missions, the Community Collaborative Inc. and the Community Development Partnership of West Virginia. The focus of this organization is to be the primary source of information about community development statewide. As one component of its mission, the Hub intends to serve as a connector between the nonprofit community and those that are focusing on economic development. The organization at this time is relatively small, with only three full-time staff members. Therefore, it must be selective when taking on new programming to make certain that it does not experience mission drift.

The Hub is not a service provider or a funder, but an intermediary agency that seeks to gather information about community development organizations, service providers, and funding sources and provide a means to share that information. The goal is to create a

web-based resource with resources for all to share. Currently three counties featured in this study are actively participating in the Hub — Pleasants, Roane, and Ritchie.

The Hub is also now the official licensed replication partner for the National Standards for Excellence for Nonprofit Organizations in West Virginia. The Community Development Partnership had previously been the host organizations for the National Standards for Excellence. The Hub is the only organization certified by the Standards for Excellence in the state of West Virginia. While the Standards for Excellence are one approach to having a comprehensive core of information available to nonprofits about organizational effectiveness, the Hub sees some challenges associated with using them — primarily cost. There is an annual cost of \$8,000 to the Hub to maintain its status as replication partner for the Standards. In addition, in order to receive the materials necessary to pursue certification by the Standards for Excellence, organizations are required to attend a three-day clinic series. The minimum cost of these trainings is \$500 for an organization, which may be cost prohibitive for smaller organizations that truly need the guidance the Standards provide.

Since the West Virginia Community Development Hub is such a new organization and is not a direct service provider or funder, it may not seem initially as if it is a factor in the capacity-building efforts in the region. However, in its self-described role as connector and convener between needs and resources, as well as through its involvement with the Standards for Excellence in Nonprofit Organizations, the Hub will be a valuable resource in promoting dialog on this important issue.

West Virginia Commission for National and Community Service

The West Virginia Commission for National and Community Service publishes a training newsletter three times per year (January, May, and September), which seeks to provide information about workshops available to nonprofit agencies and individuals in West Virginia. These training opportunities are often programmatic in nature. However, there are some offerings that would assist agencies in developing their organizational capacity. For example, in the current newsletter there are sessions in grantwriting, crisis management, continuity of operations planning, and volunteer management being offered, most of which as part of an upcoming conference offered through the Commission.

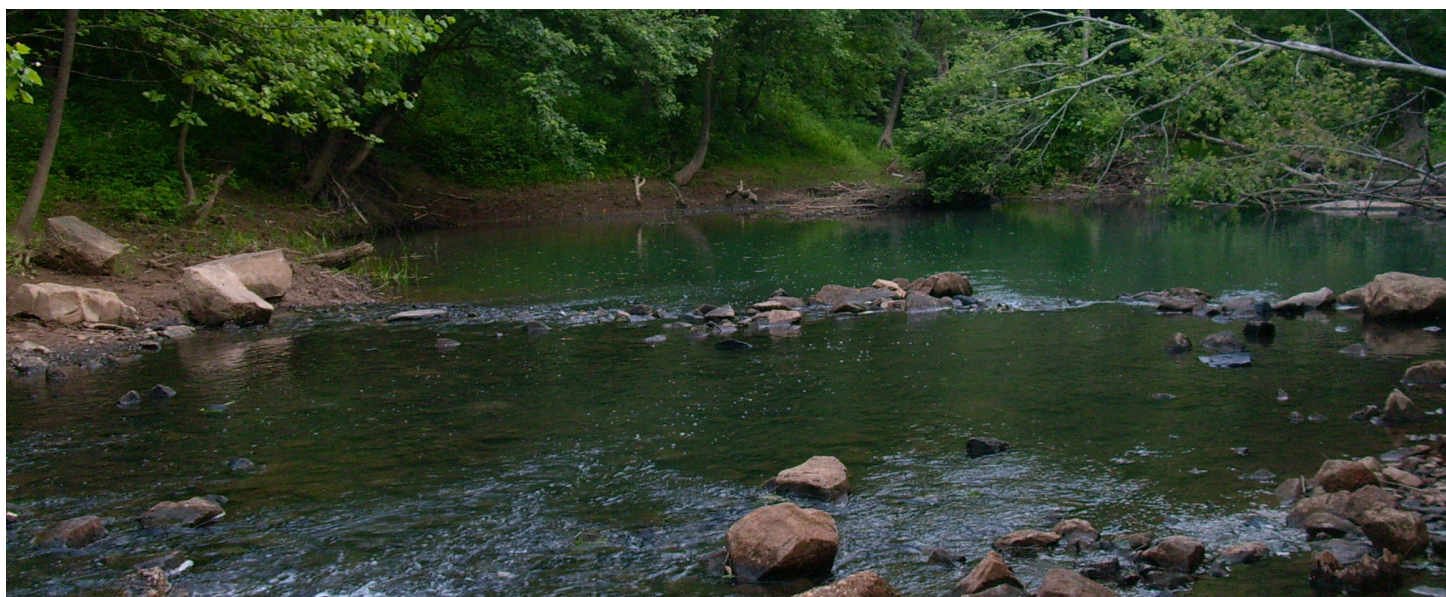
West Virginia Grantmakers Association

The West Virginia Grantmakers Association is a professional membership organization for grantmakers statewide. Similar to its sister organization in Ohio, the West Virginia Grantmakers Association provides the foundations and corporate giving programs upon which many nonprofits rely for grantmaking an opportunity to have a powerful influence on the organizational health of its grantees.

Similar to the Ohio Grantmakers Forum, the focus of the West Virginia Grantmakers Association is on its member organizations that provide the funding, not the grantseeking community. While it does not provide direct programming for grantseekers, its website does have a series of useful links to statewide resources that may be of assistance to the individual nonprofit entities. Additionally, as with the Ohio Grantmakers Forum, this organization is poised to be able to sustain dialog among the funding community about the role of foundations and corporate giving programs in encouraging and supporting capacity building efforts in their grantees.

Volunteer Action Center of the Mid-Ohio Valley

The Volunteer Action Center of the Mid-Ohio Valley (VAC) is an agency which assists with volunteer recruitment and management for the nonprofits in the Mid-Ohio Valley. In addition to assistance with volunteers, the VAC offers occasional workshops of interest to the nonprofit community. The VAC also offers an opportunity to rent office space at a very reasonable rate, which includes access to janitorial services, conference rooms, phones, conference rooms, and more.



KEY FINDINGS

There are several key findings based on the data we have gathered. These are summarized below and are developed in detail in succeeding sections:

- The nonprofit community in the Mid-Ohio Valley faces a wide variety of challenges. The average challenge score (on a scale of 0-3, with 3 being a major challenge) in each of the dimensions of capacity ranged from a 2.31 (financial resources) to 1.78 (operations and governance). Financial resources were the greatest challenge, followed by human resources, information technology, networking and advocacy, marketing, planning and programming, and lastly operations and governance. The prevalence of concern about financial resources was also found in both the open-ended portion of the instrument and in our focus groups.
- Interestingly, despite the fact that operations and governance appeared to be the least challenging in the closed-ended portion of the instrument, when asked in the open-ended portion of the questionnaire to list the three greatest capacity-building challenges facing their specific organizations concerns related to operations and governance ranked second only to references to financial resources. In addition, the analysis of focus groups found that many respondents saw various aspects of board governance and development to be a major concern. Issues related to information technology were also very prominent in the focus group sessions, but were the third overall area of concern in the quantitative portion of the study.
- Seven of the top ten most pervasive needs identified in the study all relate to financial resources, and the need for effective fundraising. Obtaining funding, expanding the donor base, developing capital campaigns, building endowments, securing corporate or foundation support, acquiring government grants, and writing proposals were all among the top ten.

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acquiring government grants, and writing proposals were all among the top ten. The other most pervasive challenges included enhancing visibility and reputation of the organization (marketing), recruiting and keeping volunteers (human resources), and attracting new members or clients (programs and planning).

- The most effective type of assistance to meet these varied challenges was seen as various forms of funding. The most prominent type of assistance requested was multiyear funding and general overhead funding, with three-quarters of all respondents seeing these as very helpful. The two types of peer assistance combined for an average helpfulness of 2.04 on a 3.0 scale, while the four types of technical assistance combined for an average helpfulness score of 1.87 (once an outlier was removed).

Despite the fact that workshops and training were among the lowest ranked forms of assistance, this was the most commonly discussed form of assistance in the qualitative portion of the study. In particular, training related to all aspects of fundraising was seen as highly desirable, as was assistance with board governance and development. The importance of follow-up activities in order to improve the quality of training was regularly mentioned during focus group sessions.



NONPROFIT CAPACITY BUILDING: CHALLENGES AND ASSISTANCE

Capacity building has proven to be a complex concept that has a wide range of operational definitions to break down the construct into something that can be examined quantitatively. For example, Kibbe (2004) uses four organizational capacities that contribute to organizational effectiveness — technical capacity, management capacity, resource development capacity, and leadership capacity. However, for the purposes of this study we are utilizing the seven dimensions of capacity used in the studies of the Indiana nonprofit sector conducted by the School of Public and Environmental Affairs at Indiana University, as these studies used the same instrument utilized in the quantitative portion of this study.

CAPACITY-BUILDING CHALLENGES

The survey began with a series of seven questions that asked respondents to evaluate the extent to which specific indicators within each dimension of capacity were a major challenge, a minor challenge, or not a challenge to their organization. These responses were coded in order to calculate an average challenge score for each dimension, where a 3 indicated a major challenge, a 2 a minor challenge, and a 1 not a challenge. If a respondent indicated something was not applicable, it was coded a 0 so that the challenge level of a particular indicator that may apply only to a small number of respondents would not appear to be overly inflated.

Figure 1 illustrates the average challenge score on a scale of 0-3 for each of the seven dimensions of capacity included in this study. Financial resources demonstrated the greatest level of challenge to the organizations at a 2.31. Human resources (1.96) and information technology (1.92) posed significant challenges as well, followed closely by networking and advocacy (1.87), marketing (1.83), planning and programs (1.82), and operations and governance (1.78). The average challenge scores indicate that each of these dimensions pose a challenge for the responding organizations.

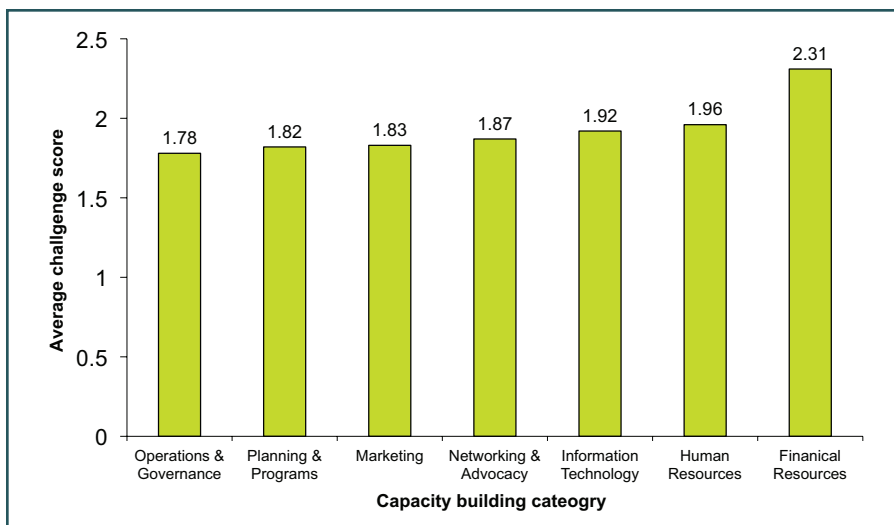


Figure 1- Nonprofit Capacity Building Categories: Average Level of Challenge

In our analysis of each individual dimension below, we primarily report frequencies of respondents indicating whether an item was a major challenge, minor challenge, or not a challenge. A figure that breaks down these frequencies is included for each dimension. A challenge score for each indicator was also calculated; the figures depicting these values are available in Appendix D. In addition to the evaluation of challenge level across each dimension in the closed-ended portion, a series of open-ended questions was included in the study. Each respondent was asked to identify the organiza-

tion's three greatest capacity-building challenges and its three greatest technical assistance needs, along with the most helpful types of assistance for each. The analysis of these open-ended questions and the qualitative data gathered during the focus groups sessions conducted in the summer of 2008 and spring of 2009 is also utilized in our analysis of each of the capacity building dimensions and the type of assistance that would help organizations meet these challenges.

Financial Resources

Financial resources overall were found to be the greatest challenge of the seven dimensions of capacity evaluated in this study. As Figure 12 indicates (found in Appendix D), the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension ranged from a 2.55 (obtaining funding) to a 1.61 (building a capital campaign).

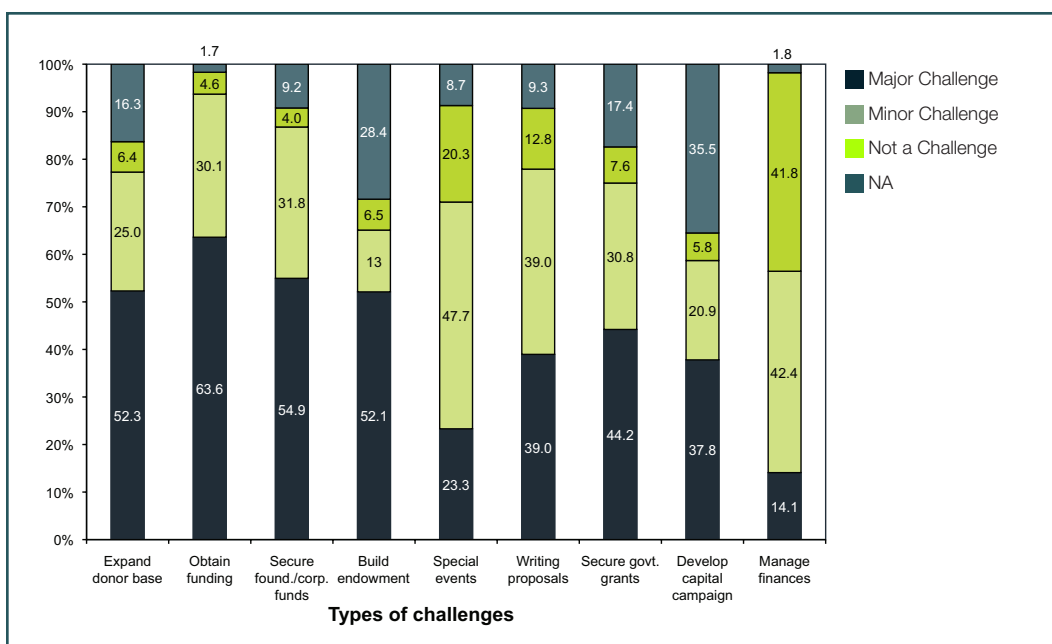


Figure 2- Financial Resources

As you can see in Figure 2 over half of all respondents saw each of the nine indicators in this dimension as at least a minor challenge, and over three-quarters saw at least five of these as some form of a challenge. When identifying the top ten challenges across all dimensions based on the frequencies of respondents indicating that it was a major challenge, the top six challenges were all related to

financial resources: obtaining funding (63.6%), securing foundation and corporate funding (54.9%), expanding the donor base (52.3%), building an endowment (52.1%), securing government grants (39%), and writing proposals (39%). Developing a capital campaign was the seventh most pervasive challenge overall (37.8%). (See Appendix E for the full breakdown of the top ten challenges).

The greatest overall challenge in this category, and overall, is obtaining funding, with 63.6% seeing this as a major challenge, and 93.7% seeing it as some type of challenge. Obtaining funding is always difficult for nonprofit organizations in the best of economic times, so in a difficult economic climate such as we are experiencing currently it is no surprise that nonprofits are concerned about where they will manage to find their funding opportunities. Concerns about expanding the donor base, which 77.3% found to be a major or minor challenge, are intermingled with fears about the solvency of the donor base they already rely upon. Securing foundation or corporate funds was a major concern of over half of respondents, perhaps in part due to concerns about the economy as well. Foundations and corporate funders typically rely on endowments to fund their grant programs, many of which have been hard hit in the turbulent stock market. The size of the endowments for funders of all sizes have decreased, and there is further concern that funders may be more fiscally conservative in the coming years in order to try to rebuild their losses—all of which impact the financial resources of the nonprofit community. Building their own endowments was a concern for 65.1% of respondents, likely due to these same issues.

Writing grant proposals is always a concern for nonprofits, so it is not surprising that over three-quarters of respondents found this to be a challenge of some kind. Grants are likely going to be more competitive in the coming cycles due to shrinking budgets, donor contributions, and endowments, so it is natural that grantwriting would continue to be a primary concern.

Securing government grants was a concern for 75% of participants as well, likely for these same reasons. Developing capital campaigns was a major concern for 37.8%; however, another 35.5% selected not applicable as their response.

The areas that seemed to be of the least concern to respondents were putting on effective special events and managing finances. Neither of these indicators were present among the top ten most pervasive challenges overall, unlike every other indicator in this dimension. Nearly one-quarter saw putting on effective special events as a major challenge. Only 14.1% saw managing finances as a major concern, and another 41.8% felt it was not a challenge at all. Interestingly, in our focus groups several participants noted a need for technical assistance in relation to managing finances, which seems to at least in part indicate that perhaps this need is understated in the quantitative data. In particular, focus group participants noted a need for specific accounting advice on an ongoing basis and assistance with auditing procedures.

The analysis of the open-ended questions confirms the results of the quantitative portion of the study. Here again financial resources were the primary challenge facing respondents, making up 28.5% of all challenges listed.

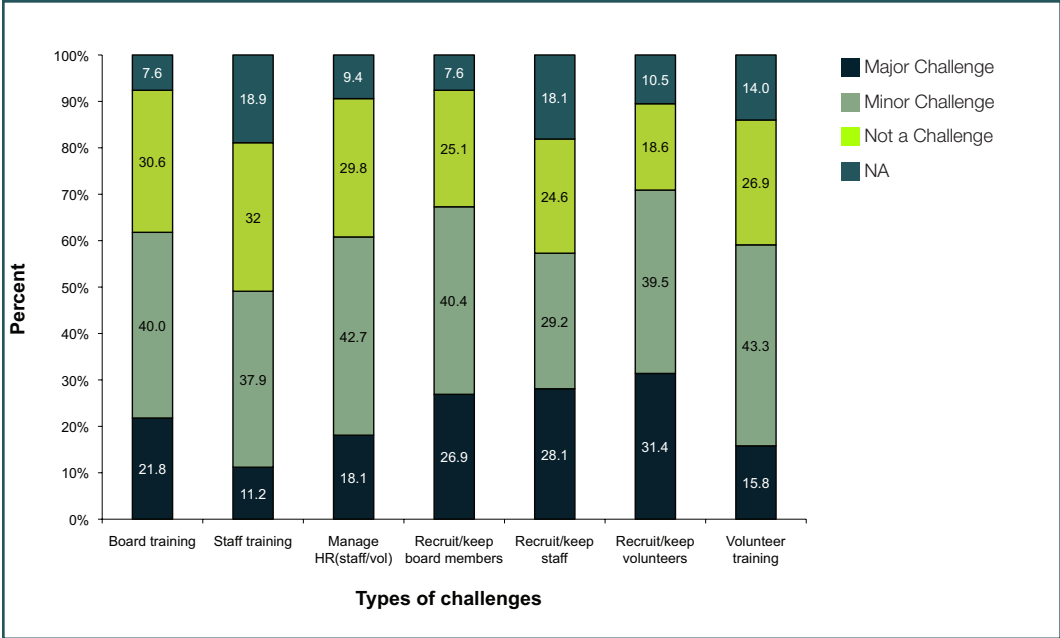
Not surprisingly, the focus groups spent considerable time describing the challenges they faced in terms of financial resources. Many lamented the conundrum that while they knew

organizational effectiveness was key to programmatic success and continued funding, they knew that any budget they might have for staff training and development or other capacity building endeavors would be “the first thing to go” if their budgets continue to shrink in the coming months. Many discussed the challenges of grantwriting, particularly the time and effort that goes into writing proposals that often go unfunded. There were several requests for additional training in this area, particularly from funders themselves so that they could truly understand what each was looking for. The Regional Nonprofit Alliance administered a brief survey as part of their Listening Sessions in the summer of 2008. Respondents (n=98) were asked to identify the fundraising strategy they would like to learn the most about; 35% identified selecting finding appropriate grants and successfully applying for funds, the most of any of the strategies suggested.

Human Resources

Human resources had the second highest average level of challenge at 1.96, well behind the 2.31 challenge score of financial resources. Figure 13 (found in Appendix D) shows that the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension ranged from a 1.92 (recruiting and keeping volunteers) to a 1.41 (staff training). The remaining five indicators fell within a fairly close range from 1.87 to 1.61. Human resources had the third greatest frequency in number of challenges identified in the open-ended portion of the questionnaire at 19.3%.

As you will see in Figure 3, each of these indicators was seen as at least a minor challenge by at least half of respondents (with the exception of staff training, which was close at 49.1%). The most pervasive overall challenge in this dimension was recruiting and keeping of volunteers, with 70.9% of respondents seeing this as at least a minor challenge. This was also one of the top ten overall most pervasive challenges across all dimensions (see Appendix E).



The second biggest challenge in the human resources dimension was the recruitment and retention of board members, which was a major challenge for 26.9% of respondents, and at least a minor challenge for 67.3%. This was followed by board training, which was at least a minor challenge for 61.8%. The management of human resources and volunteer training were next, considered as at least minor challenges

Figure 3-Human Resource Capacity: Extent and Severity of Challenges

by 60.8% and 59.1% respectively, and a major concern by only approximately one-sixth each. Recruiting and retaining staff was more of a major concern than the previous indicators at

28.1%, and a concern overall to 57.3% of respondents. The area of least concern to respondents was staff training, which was a major concern for only 11.2%.

Board training was a common thread across all focus groups held as part of this study, and as part of the Regional Nonprofit Alliance’s 2008 Listening Sessions. Multiple participants described well intentioned board members who simply did not have the basic knowledge of how boards function, or what their responsibilities as board members were. One participant described the rapport with his board as a “love-frustration relationship.”

Information Technology

The third highest average challenge score was for the information technology dimension at 1.92. None of the individual indicators in this dimension were in the top ten overall challenges in these closed-ended responses. Figure 14 (found in Appendix D) shows that the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension fell within a very small range, from 1.83 (creating a comprehensive website) to 1.65 (training staff in software).

As you can see in Figure 4, the frequency counts of these dimensions were fairly similar, with all eight dimensions being seen as at least a minor concern for between 56.9% (getting information technology assistance) and website development at 65.5%.

Website development and upgrading hardware were seen as a major concern for slightly more than one-quarter of respondents. Not surprisingly, these two were the indicators that were the most challenging overall in the dimension, followed by database development and use (62.4%), the ability to achieve the organizational mission or vision with information technology (61.1%), finding information technology tools for service deliver and communicating information technology needs at 59.7% overall each, staff and volunteer training in technology (57.3%), and lastly getting information technology assistance (56.9%).

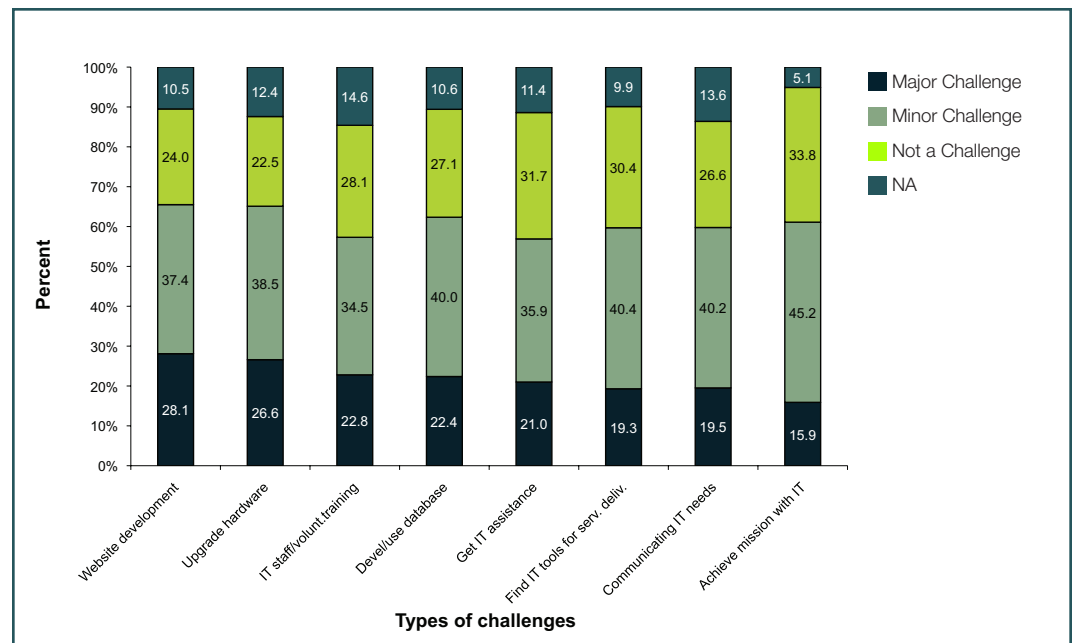


Figure 4-Information Technology Capacity: Extent and Severity of Challenges

There is a perceived need for information technology resources of all kinds for nonprofits, but the findings here seem to indicate that at least some progress has been made. An interesting note — the quantitative portion of this study was completed online for nearly all respondents, despite the availability of a paper-based version. This may indicate that these nonprofit organizations are becomingly increasingly savvy in terms of their use of technology.

Access to technology assistance was seen as a major concern for 21% of respondents in the quantitative portion of the study. However, the focus group data does seem to indicate that despite an awareness of their technology needs and a general ability to use technology effectively, there is a need for greater access to effective information technology support services. One participant noted that if funding would allow, the next person hired in her agency would be a technology expert. Several participants noted that while they do have volunteers or even board members with computer expertise, the time lag to get someone to come in and to do repairs — even basic ones — interfered with their ability to complete basic operational functions.

In addition, the open-ended responses on the survey seemed to indicate a need for greater levels of information technology assistance. Fifty-nine percent of the total technical assistance requests related to information technology. Among these, there were numerous requests for assistance with technology support, training, and website maintenance or development.

Networking and Advocacy

The fourth greatest capacity building challenge area according to our findings was networking and advocacy. Figure 15 (found in Appendix D) shows that the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension ranged from 1.90 (enhancing public understanding of key policy issues) to a 1.61 (learning best practices from other organizations).

As you can see in Figure 5 below, each of the indicators was considered to be at least a minor challenge to at least 59% of respondents. Of the indicators in this dimension, enhancing public understanding of key policy issues was the greatest overall concern, with 29% of respondents finding it to be a major challenge, and 71.6% finding it to be at least a minor concern.

Strengthening key relationships with policy makers, the next major issue in this dimension,

was seen as a major concern by nearly 20% of respondents and was at least a minor concern to nearly 48%, as was forming and maintaining relationships with other entities.

Learning best practices from other organizations was at least a minor concern to 61% overall. The focus group discussions also indicated that the opportunity to interact with peer

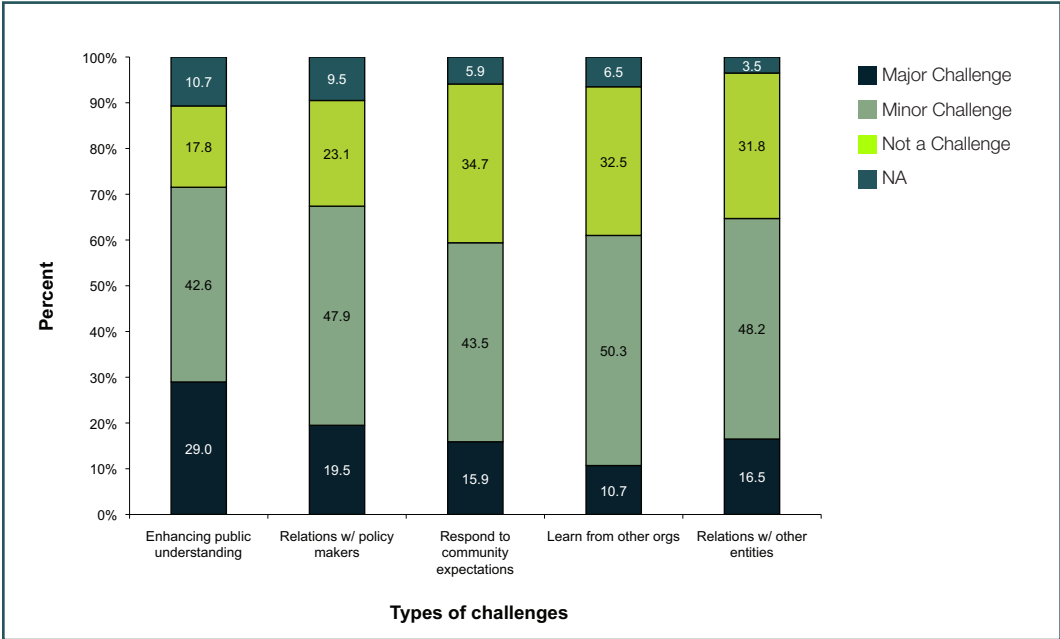


Figure 5-Networking & Advocacy Capacity: Extent and Severity of Challenges

organizations was highly desirable. At one session a participant mentioned an organization known as the Community Service Council, a collection of organizations in the Parkersburg area that have brown bag lunch sessions centered around key topics of interest with invited guest speakers. Those who were unaware of the opportunity were very excited about the opportunity, and those who did not live or work in that geographic area lamented their isolation from such opportunities to share and network with peers.

The final indicator, responding to community expectations, was a major concern to nearly 16% and at least a minor concern to 59.4%.

Additionally, the instrument that was part of the Regional Nonprofit Alliance Listening sessions in the summer of 2008 asked participants to identify what skill they would most like to learn more about; two of the top three responses, collaborating with other nonprofits and building effective coalitions, can be linked to the networking and advocacy dimension of capacity building (Regional Nonprofit Alliance, 2008)

Marketing

Marketing capacity was the fifth overall area of concern among the seven dimensions studied. This dimension contains one of the top ten most pervasive challenges overall, enhancing the visibility or reputation of the organization, which was the seventh greatest challenge as determined by the number of respondents seeing this as a major challenge (see Appendix E). Figure 16 (found in Appendix D) shows that the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension had a wide range, extending from a 2.14 (enhancing the visibility of organizational activities) to a 1.43 (defining constituency groups).

Within this dimension, enhancing the visibility or reputation of the organization was seen as the greatest challenge, with 38.7% seeing it as a major challenge and another 40.5% seeing it as a minor challenge. Developing targeted communications to the community was the next greatest challenge in this area, with at least 72.1% of all respondents seeing it as at least a minor challenge, and 26.2% of those viewing it as a major challenge.

After these two indicators there is a significant drop-off in the perception of challenge, with no other indicator viewed as at least a minor challenge by more than 59.3% (communicating with clients). The remaining indicators, as you can see in Figure 6 above, were not seen as a major

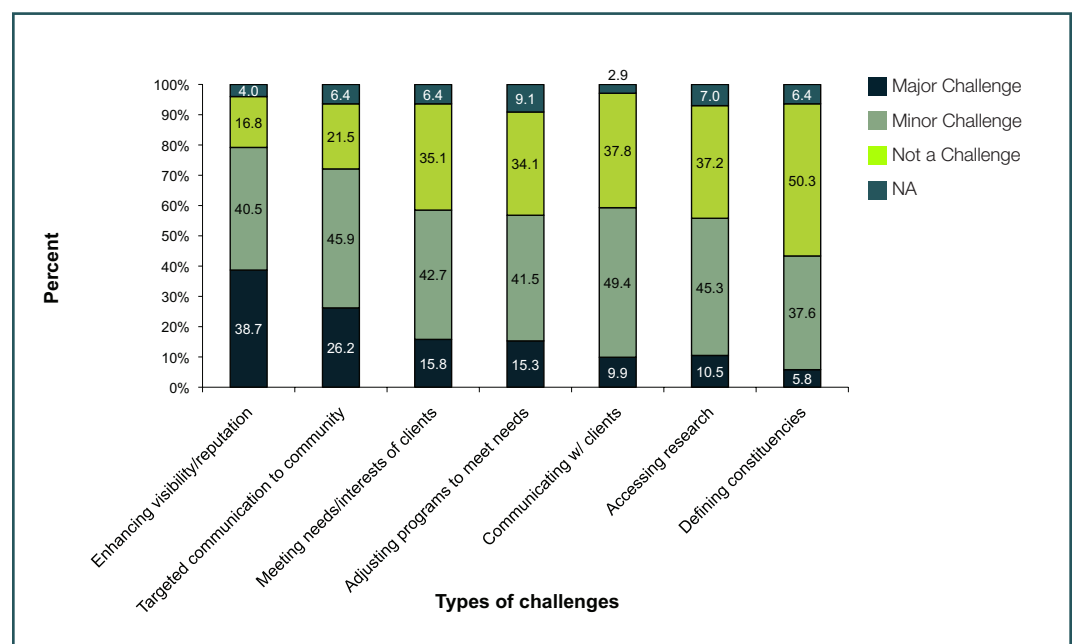


Figure 6-Marketing Capacity: Extent and Severity of Challenges

challenge by more than one-sixth of respondents, and in the case of defining constituencies, only a major challenge to about 5%. In fact these indicators were seen as not a challenge at all by at least one-third of respondents, and as much as half of all respondents in the case of defining constituencies.

The information from our open-ended questions in terms of technical assistance is applicable here. As we pointed out in our discussion of information technology, many respondents in this section mentioned a need for better websites — or even the creation of a website — in order to improve their marketing abilities. The idea of effective web design as key to improving organizational visibility and communication with the community at large also came up in each of our spring focus groups. Several participants expressed the desire for improving their online profiles. Participants made several suggestions, from student service learning projects to the hiring of a regional information technology expert, as a way to address this issue. Adequate funding for effective marketing campaigns was also noted as a major hurdle.

The Listening Sessions held by the Regional Nonprofit Alliance also indicated concerns about enhancing visibility and the development of targeted communications. One respondent stated, “I think that there is a gap related to marketing. If I hear one more time when people come to my facility, ‘This is the best kept secret...’” (Regional Nonprofit Alliance, 2008, p. 3). Participants in both the summer 2008 Listening Sessions held by the Regional Nonprofit Alliance and the spring focus groups held in direct connection to this study mentioned the constant challenge of getting the word out about their services. Additionally, the survey distributed by the Regional Nonprofit Alliance at their Listening Sessions found that 42% of respondents listed public relations and marketing as one of the top three areas in which nonprofits in the area could benefit from additional technical assistance (Regional Nonprofit Alliance, 2008).

Programs and Planning

Programs and planning was seen as the sixth most challenging of the seven dimensions, with an average challenge score of 1.82, only slightly behind marketing at 1.83. Figure 17 (found in Appendix D) shows that the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension ranged from a 1.94 (attracting new members/clients) to a 1.43 (focusing on the mission and vision).

As seen in Figure 7, each of the indicators in this dimension were seen as some form of a challenge by at least 60% of respondents, with the exception of focusing on the organizational mission and vision. A focus on mission and vision was a challenge to only 47.6%, and a major challenge to only 5.2% of that total; over half did not see it as a challenge at all. The remaining indicators were considered a minor challenge by roughly 40% or more of respondents.

The most challenging indicators in this dimension was the ability to attract new members or clients, which was a major or minor challenge for 70.2% of respondents. This was also tenth among the top ten overall concerns across all dimensions (see Appendix E).

Evaluating outcomes was the second overall, following closely behind at 69.1%. Outcome measurement, particularly for the purpose of grant writing and reporting, was also mentioned as an area of concern during our focus group sessions. Participants in multiple ses-

sions mentioned their struggle to adequately measure outcomes — from understanding how to develop solid measurable outcomes to having the time and resources to actually evaluating and reporting the outcomes. Several felt that the human services orientation of their agencies made it difficult to actually quantify the impact of their services, and were looking for “easy” ways to demonstrate to their

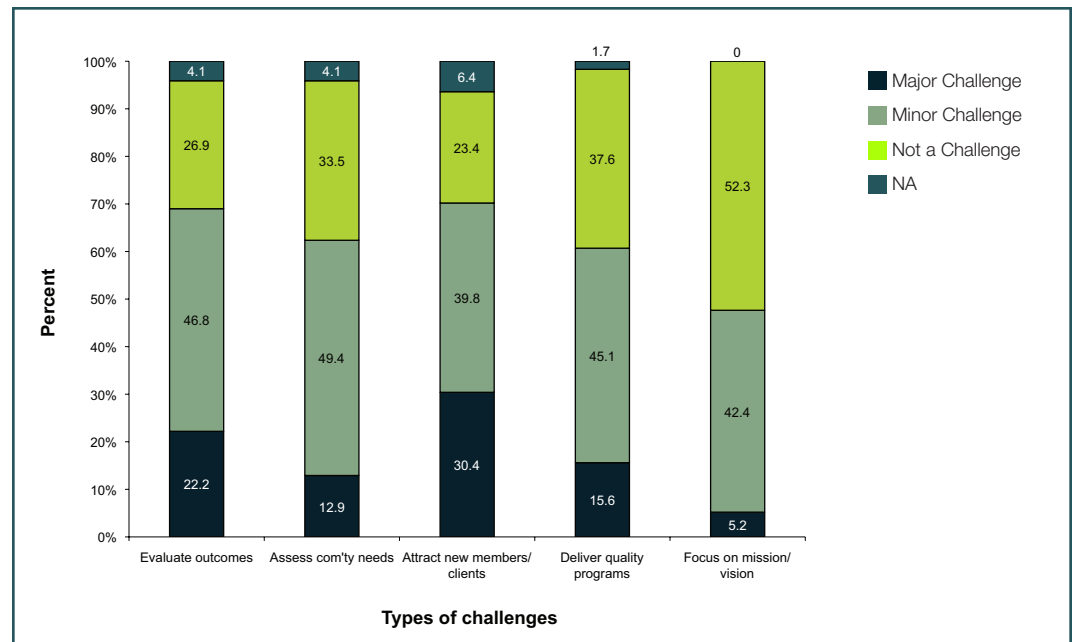


Figure 7-Programs & Planning Capacity: Extent and Severity of Challenges

boards and funders that the organization was meeting its mission. This finding also holds true when examining data from the short survey given after the Nonprofit Listening Sessions held in the summer of 2008 by the Regional Nonprofit Alliance. When asked to rank areas in which nonprofits would benefit the most from technical assistance, 43% of the sample indicated that outcome measurement was a top priority (Regional Nonprofit Alliance, 2008).

Assessing community needs was seen as a challenge by 62.3%. Delivery quality programs was a challenge for 60.7% overall, with just over fifteen percent seeing this as a major challenge for their organization.

As mentioned above, the ability to focus on the mission and vision of the organization was not considered to be a challenge by over half of the respondents. This is likely a result of the focus of nonprofit organizations on the programs component of this dimension, which is in essence why these organizations formed to begin with. It is not surprising that this is an area of organizational effectiveness that many nonprofits do indeed feel comfortable with.

Operations and Governance

Operations and governance was found to have the lowest average challenge level at 1.78. Figure 18 (found in Appendix D) shows that the average challenge scores on a scale of 0 (not a challenge) to 3 (a major challenge) for this dimension ranged from a 1.88 (strategic planning) to a 1.48 (performing tasks related to the mission).

As you can see in Figure 8, the indicators in this dimension were found to be at least a minor challenge by anywhere from around 45% of respondents (for both performing routine tasks and managing facilities), to strategic planning at 69.4%. There was a broad range of those noting major challenges in this dimension, from around 6% in performing routine tasks to a quarter of all responses for strategic planning.

One interesting finding in this dimension is regarding strategic planning. This was the most challenging indicator in this dimension, according to the closed-ended responses in the

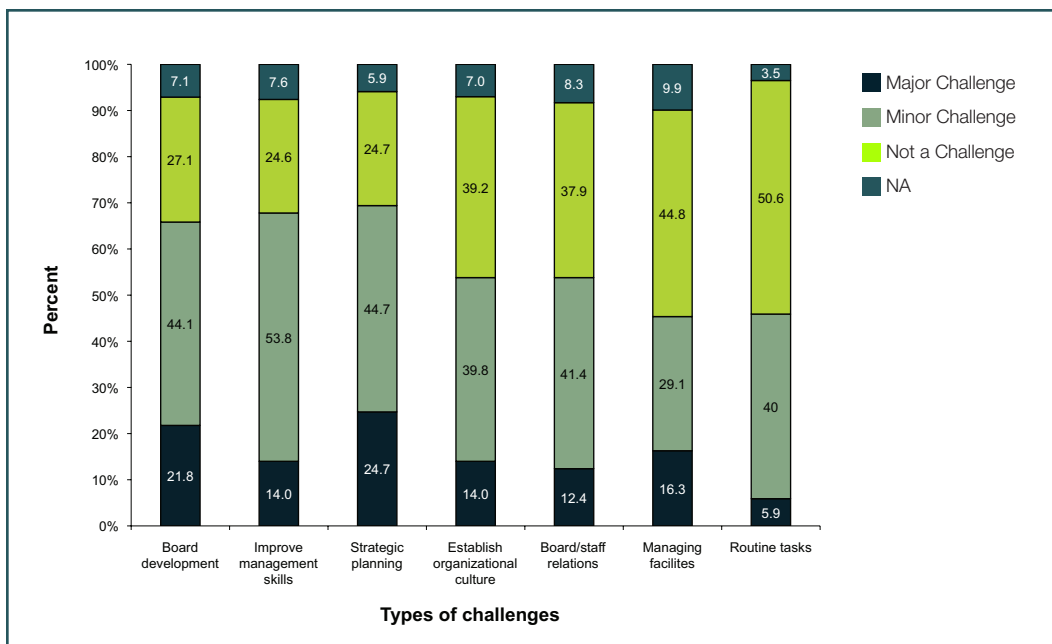


Figure 8-Operations & Governance: Extent and Severity of Challenges

quantitative portion of the study. There was discussion in nearly every focus group about the importance of strategic planning. However, when asked during these focus group sessions if there was an area of capacity building assistance that they felt was not needed, or that they had “enough” of, members of two of the focus group noted that they had more than enough training on strategic planning.

The feeling was that most strategic planning workshops or conference sessions offered the “same old, same old.” What they were hoping for in regards to strategic planning was something “new and innovative” that would help them develop an effective plan with significant input from their staff and board.

A second interesting finding related to this dimension is that when asked in the open-ended portion of the questionnaire to list the three greatest capacity building challenges facing their specific organizations, concerns related to operations and governance composed nearly one-quarter of all responses, second only to references to financial resources. So while operations and governance concerns were ranked seventh overall out of the dimensions of capacity examined in the closed-ended portions, that ranking changed dramatically when organizations were asked to think about all of their organizational challenges and to identify their top three. It should be noted that a fairly large number of study participants — 43.2% of all responses — did not provide an answer to this question.

An additional concern about boards was how to get them fully engaged — in other words, how to get board members to do more than attend board meetings, which goes back to board training as well as development.

This finding seems to coincide with results from our focus group sessions. As mentioned previously, boards were a frequent topic of discussion across all focus groups, including those held by the Regional Nonprofit Alliance. In addition to board training as discussed earlier, participants discussed at length a need to involve their board members in strategic planning. One group discussed their frustration with the development of the strategic plan as an exercise with no follow through by the board — it was simply something that “had to be done.” One participant mentioned that “I’ve thought to myself-get out of my way. If you are not behind the vision and the strategic plan, just get out of the way.” An additional concern about boards was how to get them fully engaged — in other words, how to get board members to do more than attend board meetings, which goes back to board training as well as development. It should be noted that despite the frustrations with boards mentioned by participants, participants were effusive in their praise of their board members, even when expressing frustration. They

realize the commitment that these community members have taken on to assist with their organizations.

TYPES OF ASSISTANCE

In addition to asking respondents to evaluate the level of challenge found in each of the seven dimensions of capacity, respondents were also asked to evaluate the helpfulness of a variety of types of assistance that can be categorized into three groups: funding, peer assistance, and technical assistance. Respondents were asked to determine whether each specific type of assistance would be very helpful, somewhat helpful, or not helpful in addressing their capacity building needs in any area. Participants could also indicate that they did not know if a type of assistance would be helpful. These responses were coded on a four-point scale where 3 indicated very helpful, 2 indicated somewhat helpful, 1 indicated not helpful, and 0 indicating not helpful or not applicable.

As Figure 9 indicates, the six types of assistance that fall within the funding category were seen as the most helpful overall, followed by the two types of peer assistance and the four types of technical assistance, which were fairly close in average. The funding category combined for an average of 2.10 overall on a 3.0 scale. If the outlier, low-cost loans (mean of 1.22) is removed, the

combined average becomes 2.44. The mean of the peer assistance indicators was much lower, at 2.04. The combined average of the types of help found in the technical assistance category is 1.79; if the outlier of loaned executive (1.55) is removed, the combined average of the technical assistance indicators rises to 1.87.

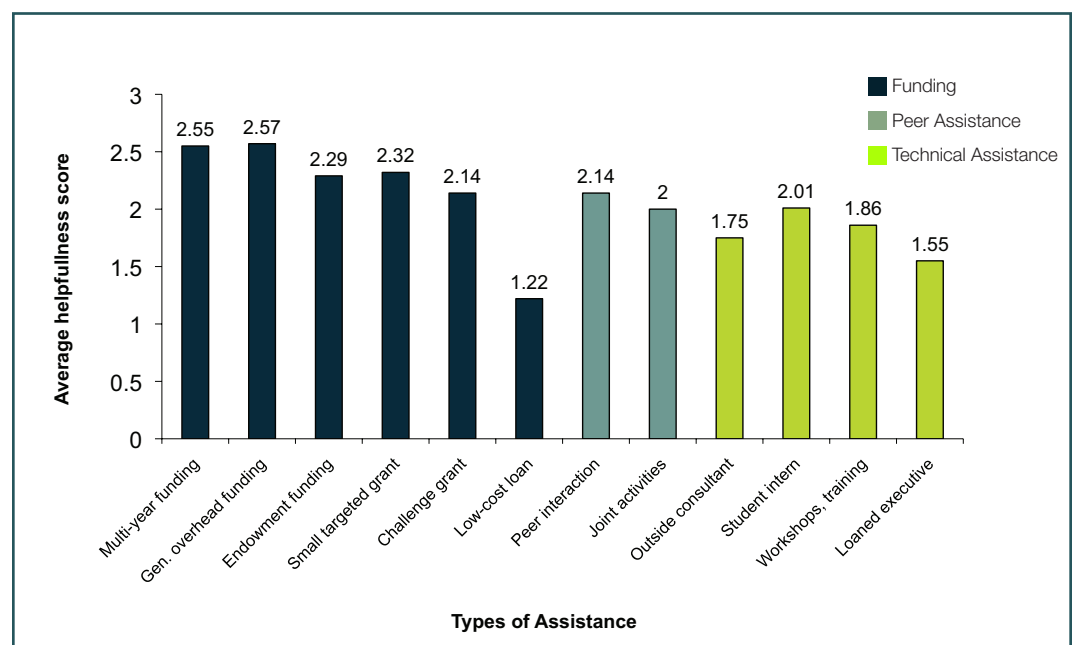


Figure 9-Types of Assistance for Nonprofit Capacity Building: Average Level of Helpfulness

Funding

General overhead funding (2.57) and multi-year funding (2.55) were seen as the most helpful. As you will see in Figure 10 below, 75% of all respondents indicated that these two types of assistance were very helpful. The flexibility offered by these two types of assistance is likely why the respondents tended to rank them so highly. General overhead funding would allow an organization the ability to address capacity building needs as they arise since it would have the additional monies as part of its budget. Multi-year funding is appealing because it would allow an organization to tackle potentially complex capacity initiatives in stages that make sense for the organization and its staff, rather than rushing to fit the project in within the constraints of a typical grant cycle.

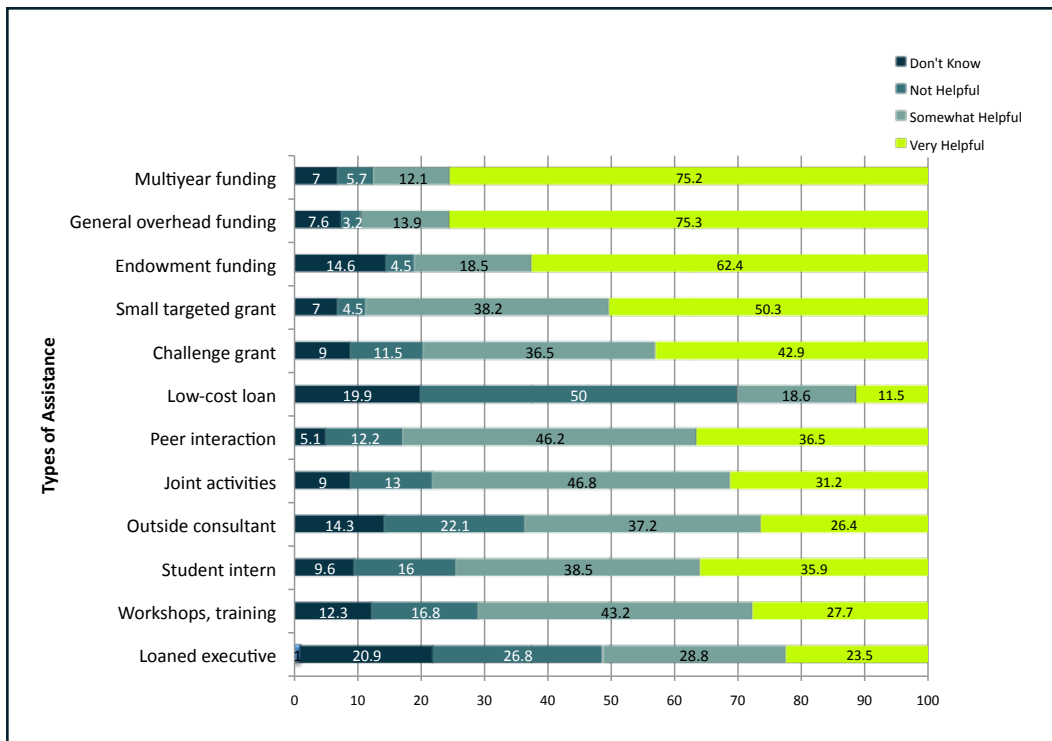


Figure 10-Helpfulness Frequencies

Small targeted grants to address specific challenges (2.32) and endowment funding (2.29) followed, with challenge grants next at 2.14. Low cost loans saw a major drop-off in perceived helpfulness at 1.22, with half of all respondents seeing these loans as not helpful.

Just as in the first portion of the study, the types of assistance for capacity building issues included in the open-ended portion of the questionnaire that were seen as most beneficial to respondents related to funding, which made up 44.3% of all responses. This seems logical, given that financial resources appear to be the greatest challenge to organizations.

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Peer Assistance

The two types of peer assistance were closer to the types of funding at the lower end of the range, with one-third of respondents finding these types of peer assistance as very helpful. Opportunities to interact and learn from peers (2.14) had the same helpfulness score as the challenge grants in the funding category. The second type of peer learning, joint activities

with other organizations had a helpfulness score of 2.0, similar to the highest average in the technical assistance category—student interns (2.1). Nearly one-third of participants saw student interns as very helpful. Focus group sessions also frequently mentioned the desire to interact more with peers as a way to learn and grow. In particular the idea of informal

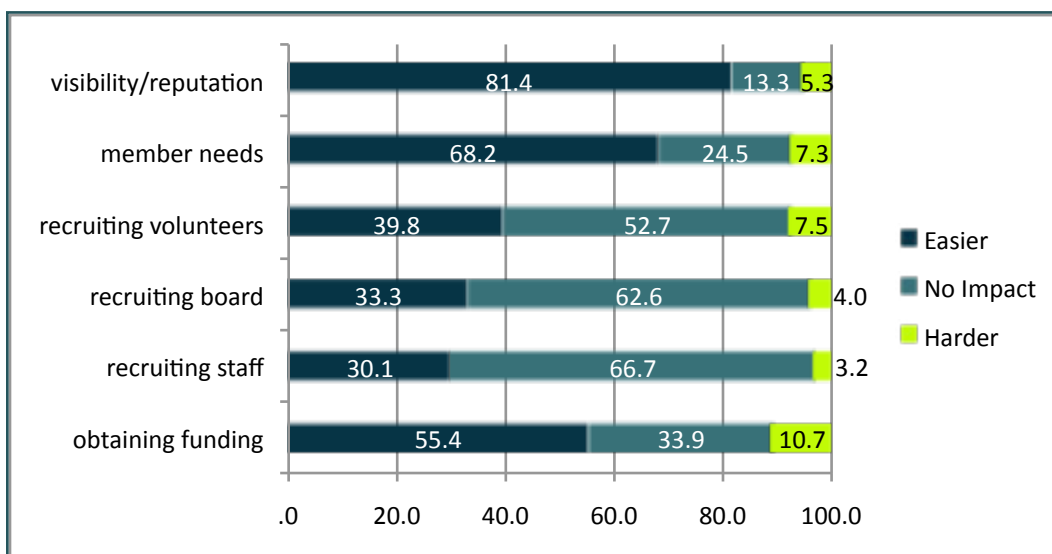


Figure 11-Impact of Collaborations and Networks on Organizations

meetings without agendas where executive directors could discuss issues and challenges would be appealing, something akin to what is happening in the Parkersburg area currently with the Community Service Council. Another type of peer assistance that was mentioned in our focus groups was mentoring; newer executive directors spoke of a desire to have an experienced peer that they could turn to for assistance. Online discussion boards were also mentioned as a way to perhaps promote dialog, particularly for those organizations in more rural areas.

Formal Collaborations and Informal Networks: The study also included questions regarding informal and formal collaborations. Approximately 30% of participants indicated that they were involved in one or more formal collaborations, which was defined as legal, fiscal, administrative, or programmatic exchanges with other organizations. Another 19% indicated that they were involved in these formal collaborations as well as informal networks, which were defined as cooperation, coordination, and working together with other agencies. Nearly 27% indicated that they were involved only in these informal relationships. One-quarter of participants were not involved in any way with other organizations.

When asked how these collaborations impacted their agencies, there were varying perceptions as to their helpfulness (see Figure 11 above). A vast majority (81.4%) felt that formal collaborations and informal networks made it easier to enhance their visibility and reputation. A large percentage, 68.2%, felt that it also made meeting the needs of their membership easier. Over half felt that these relationships made obtaining funding easier as well. Over one-third felt that recruiting and retaining board members (33.3%) and volunteers (39.8%) was easier as well. Thirty percent felt that it was also easier to recruit and keep staff. However, in all areas regarding recruitment and retention, over half saw that these relationships had no impact. Overall these formal collaborations and informal relationships were seen as making it harder to achieve any of these organizational capacities in less than 10% of responses.

Technical Assistance

The third category of assistance was technical assistance, which may consist of improving the skills of staff, volunteers, or board members through workshops or some type of training. Technical assistance can also include direct assistance from an “expert” in a particular area, such as outside consultants or loaned executives. It may also come in the form of assistance from students, such as through internships.

All forms of technical assistance, with the exception of student interns (ranked sixth overall), ranked below any type of funding or peer assistance. Student interns received a helpfulness ranking of 2.01, nearly identical to joint activities with other organizations. Over one-third of all respondents saw interns as being very helpful. This was an interesting finding given that participants in multiple focus groups expressed concerns about working with college student groups and even interns as they tend to “start a project, get it going, and then disappear”. The concern was that student groups often have to be finished with a project within an academic semester, and not all of the capacity building projects within an organization will fit in that type of timeline. Student interns were perceived as a better option than student groups because their internships sometimes crossed semesters.

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Workshops and training, seen as perhaps the most common type of capacity building assistance in any of these three categories, was rated a 1.86 on our three-point scale. Despite the perceived availability of training, only 27.7% of respondents found this to be very helpful. Outside consultants received a helpfulness score of 1.75, with a little over one-fourth of respondents finding them very helpful, but another one-fourth seeing them as not helpful. The lowest ranking was given to loaned executives, which were seen as at least somewhat helpful by just over half of respondents.

Despite the fact that workshops were one of the lower ranked forms of assistance quantitative portion of the study, focus group participants often mentioned workshops as the type of assistance that they thought would be helpful in certain areas, particularly in terms of board development and training. What was mentioned on a number of occasions was that while workshops can be helpful, what is lacking is the follow through when they return to their organizations. One participant stated: “I arrive at the workshop eager to learn. I take pages of notes and am stimulated by all of the great ideas I am hearing. And then I go back to my office, look at the 100 emails and voicemails that came in while I was at training, and my notes go on the backburner — no matter how good my intentions are.” A key component to the effectiveness of professional development is follow-up when one returns to his or her organization. The focus group attendees seemed to indicate that some type of follow-up dialog after their workshops might improve the effectiveness of the training, as well as convince them to participate in more training and development.

Another participant mentioned that in terms of board development, “if training is the solution (to board-related challenges), the board needs to be convinced that they need the training first, which is a major hurdle.” Several noted that when board training and development opportunities were provided, it was often expected that staff attend the session and bring the information back to the board, rather than board members attending themselves.

Finally, the levels of the workshops were mentioned as an issue to be addressed. Many workshops “try to be all things to all people,” meaning that it tried to offer something to all participants from those with a great deal of knowledge and experience to those who have very little. The result often is that no one leaves feeling quite satisfied with the workshop.

STANDARDS FOR EXCELLENCE

We asked respondents to our study about their familiarity with the National Standards for Excellence program. This program is active in both Ohio and West Virginia, which have authorized replication agencies (the Ohio Association for Nonprofits and the West Virginia Community Development Hub respectively) that can offer the training, support, and certification process required for organizations that want to pursue the use of the Standards. The National Standards for Excellence are intended to serve as a guide to nonprofit organizations for ethical and effective practice in the field.

Despite the fact that there are Standards for Excellence programs in both states, only 23.6% of respondents (n=34) were familiar with the Standards. Of these 34 organizations, 17 utilized the Standards for Excellence program and materials in some way; 15 did not. It would seem that the Standards for Excellence are not being utilized fully by this pool of respondents. Concerns about the financial cost of Standards certification, particularly for small, grassroots organizations, were articulated in our focus group sessions, as well as in conversations with various entities and individuals involved with capacity building in the re-

gion. The organizational time commitment needed to pursue certification was also seen as a major barrier to pursuing the Standards, even though there was a general acknowledgment that the resources provided by the program are excellent.



BARRIERS TO CAPACITY BUILDING

As part of our focus group sessions, we asked participants to talk about what they saw as barriers to effective capacity building for their own organizations or the region as a whole. The first, and most common, barrier mentioned was, of course, funding in its various forms. In the current economic climate, programming has become even more essential as the number of clients served by many nonprofits is on the rise, while financial resources are shrinking. The inevitable budget cuts often start with travel and training, which are essential to capacity building efforts in an organization. Participants noted that even when they were able to attend training, finding the financial resources to implement some of the organizational changes needed to improve their effectiveness was difficult, if not impossible. Additionally, there is a concern about how a focus on organizational improvement would translate onto the IRS 990 forms. Since donors are often concerned about how much of their dollars is spent on programming versus organizational costs, participants worried that spending on capacity building might “hurt them” on their 990s.

Time was the second most prevalent barrier mentioned in the sessions. Finding the time to attend training, vet consultants, or locate resources to improve capacity was seen as secondary to “seeing to our bread and butter,” or programming. Even if the groundwork is laid for the capacity-building effort, the question is: Who in the organization is going to spend the time to implement and follow-up, and where does that time come from? One participant stated “Every time you do capacity building or any kind of growth or whatever, the questions are: Who’s going to do it and who’s going to fund it? And we all have stretched our hours to the limit as it is...who works a 40-hour work week?” In other words, who is going to add these capacity building efforts to their already full plate — and does that mean that some programming tasks are not attended to?

A similar concern was prioritization of capacity building, by line staff, the executive director, and the board. While everyone seems to know and be able to articulate that capacity build-

ing is important, where it fits in terms of organizational priorities is often a point of contention among these different groups. Participants noted a need for a clear discussion of priorities among these groups before engaging in any capacity building work if the effort is to survive. One participant mentioned “The problem is that it is a priority now, with this executive director and this board. But when there is a change in leadership, priorities shift, and then what happens to these new initiatives? They fall by the wayside and the staff begins to see it as a matter of time before the next quick fix will be thrust upon them.”

Another major barrier was knowing how, when, and where to find resources that can aid in capacity building. Many felt that the resources are out there, but were not quite sure where to find them. Others felt that there was almost “too much,” making it difficult to know where to start. Online resources were seen as very valuable, but that those resources were often scattered across sites that the respondents did not necessarily know about. Finding the time to locate these resources, as mentioned above, made it difficult to actually utilize them.

Geography was mentioned as a barrier as well. This study focuses on counties in both Ohio and West Virginia, many of which are separated by a large river. The river seemed to represent both a physical barrier and a psychological one as well; participants mentioned that even though they live in such close proximity to another state, they often do not think about looking “over there” for resources. Most importantly, it seemed like organizations, particularly those that serve populations in both states, wanted to see some type of centralized place where they could see what was happening, what organizations were working on what, where training was being offered, etc. Another aspect of geography that was seen as a barrier was access to resources for those very rural organizations. For some, assistance such as workshops was problematic because they almost always involved lengthy car rides to attend. Even for those located in larger cities, such as Athens, Marietta, or Parkersburg, mentioned that many training sessions, consultants, and other resources were available in urban areas such as Charleston, Cincinnati, Cleveland, or Columbus—all of which are several hours away.



PERSPECTIVES OF THE FUNDING COMMUNITY

As previously mentioned, one of the focus groups conducted in the spring of 2009 was with some local funders who serve the eleven county area encompassing this study. These funders have a wide array of focus areas that they fund, and represent both private foundations and community foundations. These funders were asked to consider a variety of issues, such as their perspectives on capacity building, their observations on what has worked with capacity building among their grantees, and what types of capacity building efforts they might be interested in funding.

The funders saw capacity as an organization's ability to effectively deliver their services and meet both their mission and vision. The group saw some of the major capacity challenges for the region (in no particular order) to be board development, planning for sustainability, human resources, information technology, and leadership development. Several noted that capacity needs for the smaller, grassroots organizations were sometimes different, and much more elemental — such as how to keep financial records, budget, or obtain new revenue streams. A need for the development of adaptive capacity was seen as particularly important given the current economic climate and the likelihood of shrinking endowments—and therefore funds available. In particular they felt that capacity building should be an ongoing attempt at improving effectiveness, rather than a last-ditch effort at bailing out an entity in trouble.

There was more of an interest in funding initiatives that help an organization move forward as opposed to continue to operate at a basic level — or even to simply survive. Though agreeing it is difficult, the group felt that more organizations should be considering more in-depth collaborations, or even possibly merging with other entities with similar missions rather than continuing to struggle on their own. This is not unusual; in fact, the topic of mergers or strategic collaborations has been a focus of a great deal of attention in the nonprofit community, particularly given the economic climate. Initiatives that explore shared back office operations were specifically mentioned as appealing to this group.

An area that funders could work on to assist their grantees identified during discussion was about grant guidelines and reporting. This is something that Kibbe (2004) also mentions as essential for funders who are interested in developing capacity in the organizations that they work with. Both the participants and Kibbe agree that funders should periodically examine their grant criteria to make sure that it is reasonable in scope, and that all of the information

The participants shared that organizations they had observed that had been successful in developing their organizational effectiveness engaged in capacity building as a tool for growth, as opposed to a band-aid to fix a major problem.

requested is necessary. The same recommendation holds true for reporting requirements, which the group felt should focus more on demonstration of progress and measurable outcomes. Currently in West Virginia there is discussion of the formation of a common grant application by at least two groups, with one of the local funders, the Ross Foundation, being very actively involved in that process. A common application may in fact lend itself to streamlining the grants process for organizations, and free up resources for other programmatic or capacity related tasks.

The participants shared that organizations they had observed that had been successful in developing their organizational effectiveness engaged in capacity building as a tool for growth, as opposed to a band-aid to fix a major problem. They often also used a variety of assessment tools to look deeply to identify what their specific needs might be. Kibbe (2004) identified flexibility as a key to success for funders looking to help their grantees build capacity. Organizational assessment tools can help an organization that might feel like it has one issue see that the problem runs deeper, or that its needs are greater in other areas. These assessment tools are fairly common place among the capacity building organizations that were examined in our best practices site visits.

Finally, the group discussed the funding of one-time events versus developed programs or activities that could lead to measurable results. While they acknowledged value in activities such as board retreats or workshops, participants noted (as did the attendees at the focus groups for nonprofit organizations) that follow-up was essential for these to be truly effective in impacting organizational capacity.



RECOMMENDATIONS

The purpose of this study is to help capture the state of nonprofit capacity in the targeted geographic area, identify what resources are available to nonprofits, and to make recommendations for improving capacity-building efforts. These recommendations are based on the data collected in our quantitative phase, the focus groups, as well as the best practice site visits. The recommendations are also based on our review of the relevant literature. They are offered without preference or judgment as to the “best” solution, primarily because efforts to improve organizational effectiveness are not really a “one size fits all” endeavor. A comprehensive approach utilizing a variety of tools is necessary to make significant strides in improved organizational effectiveness in the region.

The recommendations are intended for the nonprofit community that we studied, as well as the funders in the region. Not surprisingly, many of these recommendations will require funding to become a reality, which of course means that the funding community can play a vital role in attacking this issue. As noted above, one of the key barriers to engaging in capacity building is a lack of resources, so having the local funders on board with initiatives will encourage the nonprofit entities in the area to engage as well. The funding community nationally has become increasingly engaged in capacity-building work. In the 1990s alone, technical assistance grants increased by 180% (Light, Pathways to Nonprofit Excellence, 2002). Kibbe (2004) also noted that the Foundation Center has seen a significant rise in funding for organizational capacity-building efforts. Therefore, it is critical that the funders in the region be engaged in any large-scale efforts to build nonprofit capacity.

Recommendations are made in no particular order.

FUNDING ASSISTANCE

It will come as no surprise that funding would be a primary recommendation based on both the quantitative and qualitative findings of this study. Nearly half of all requests for assistance in our open-ended questions referenced some type of funding.

Multi-year and General Overhead Funding

Multi-year funding and general overhead funding were identified as the most helpful of any form of assistance suggested in the study. These types of funding approaches to capacity building provide the organizations with a great deal of flexibility in meeting their organizational challenges. The need to complete a capacity-building project within a typical one-year grant cycle might compel an organization to rush the process rather than taking its time and delving into the true root causes of organizational strengths and weaknesses. Many

Multi-year funding and general overhead funding were identified as the most helpful of any form of assistance suggested in the study.

capacity-building projects are more long-term in nature, and are best addressed if they are not rushed. As a result, multi-year funding for organizational development projects would allow the organization to truly spend the time necessary to implement organizational change in a manner that best suits it. General overhead funding would allow for an organization to protect or enhance training and development budgets and other line-items

that are related to organizational improvement, areas that are typically first on the chopping block in times of budget crises. Both multi-year and general overhead funding would allow organizations to adapt their capacity-building agendas to meet changing organizational and environmental needs.

Multi-year funding could also promote organizational development when given for programmatic grants as well. The receipt of a multi-year award provides an organization with stability, and allows them to utilize scarce resources to focus on not only programmatic tasks, but also on improving organizational effectiveness in a variety of ways—rather than beginning the hunt for a new grant (or writing a renewal) almost as soon as they receive their award.

Many funders typically do not award these types of funding to grant organizations for a variety of reasons. However, the data clearly indicate that the nonprofit entities they work so closely with feel strongly that these types of assistance are most beneficial to them in engaging in organizational improvement efforts, so it may be time to consider adopting one or both of these approaches for organizations seeking capacity building funds.

Develop a Specific Funding Category for Capacity-Building Projects

Most funders make explicit in their grant applications and materials what type of projects they are interested in. Funders interested in becoming involved in this movement to improve organizational capacity could add a grant category that includes capacity building among their list of grant interests. For example, the Claude Worthington Benedum Foundation, a funder serving West Virginia and Southwestern Pennsylvania, has a grant category called Community Development, which lists among its specific areas of interest programs that “improve the effectiveness and accountability of nonprofit and public programs” (Claude Worthington Benedum Foundation, 2009).

The study indicated that small targeted grants and challenge grants were perceived to be very helpful. Either approach could be used effectively, depending on what would work best and align with the mission and vision of the funding entity. This would require a modification to the grant application, and perhaps a different approach in the grant process.

During the best practices site visits, we talked with several organizations that have a grant process for small targeted grants for capacity building. The maximum grant award most

cases was \$5,000, a relatively small amount in comparison with many programmatic grants (the Forbes Fund offers Management Assistance Grants that typically range from \$8,000-12,000). Another commonality was the required completion of an organizational assessment tool of some kind to be completed and submitted with the funding request. Some also required the completion of the same assessment tool at the end of the project in order to document any growth that had occurred. Again, the complexity of these organizational assessment tools varied among the organizations who utilized them. We did not find a single common tool used by more than one organization.

Funders interested in becoming involved in this movement to improve organizational capacity could add a grant category that includes capacity building among their list of grant interests.

Capacity-Building Pooled Fund

A capacity-building pooled fund would be a collection of resources from multiple funders in the area. Each participating funding entity would be responsible for contributing a minimum amount of money to the pooled fund annually. To be successful, there would need to be a multi-year commitment from participating funding entities to get the initiative off the ground; after that, participants would contribute a minimum amount annually to keep the pool running.

The Nonprofit Alliance (NPA) at Kellogg Community College administers a pooled fund that is a potential model for this type of program. The fund contains both scholarships for individuals within an organization to attend training, as well as small grants to build capacity. The organization began as an information and referral network, and has evolved into a management support organization officially recognized as one of six state-wide entities that provide this type of assistance by the Michigan Nonprofit Association. In addition to administering their pooled fund, the NPA also participates in the Michigan NOW! program.

The monies that drive the pooled fund come from local funders. Each organization is asked to contribute at least \$10,000 annually; however, some funders contribute significantly more. These monies are used for the grant program and its administration by the NPA. Proposals are accepted on a rolling basis. Currently, the selection committee meets monthly to consider requests (this approach is being reconsidered, and will likely shift to a bi-monthly review process). This committee is made up of representatives from each funding agency that contributes to the pooled fund.

After completing an organizational assessment, interested organizations fill out a grant application and meet with a consultant from NPA to ensure that their request is aligned with what the organization truly needs. The capacity-building work might be completed by NPA directly, or may be contracted out to an approved consultant (NPA also hosts a comprehensive consultant directory). This sequence of an outside organizational assessment prior to awarding funding for specific capacity building requests is a practice also followed by the BEST Project of Genesee County Michigan, widely considered as a model program nationally.

The NPA noted one benefit of this approach has been improved relationships and communication among the area funders. They noted no concern from the nonprofits themselves about sharing potential organizational weaknesses with funders.

A capacity pooled fund has several potential benefits for this region. First of all, it would provide a source of funding for organizations seeking to improve their organizational effectiveness. It would also serve as a clear signal to the nonprofits in the region that the funders see organizational development as a key priority for the community, which may compel some nonprofits to embrace capacity-building initiatives. A compulsory organizational assessment can provide participants with a good idea of what areas the organization needs to be working on and can give funders a sense of the level of commitment to capacity building within the organization prior to awarding funds. Perhaps most importantly, the existence of a pool of money exclusively for capacity building that comes from multiple funders would allow organizations to pursue monies to improve effectiveness without feeling like they are endangering their programmatic requests by continuing to “tap the same well” by going repeatedly to the same individual funder for requests.

Two major challenges to establishing a pooled fund exist. The first, and most obvious, is the need to establish a sufficient pool of resources to drive the fund. The second is also critical — identifying an entity that can manage the fund. The Regional Profile section of this report describes a variety of agencies that might, with the provision of funding for the administrative costs, have a mission or programmatic focus that would make the administration of such a fund logical. Another option might be a community foundation, as its organizational structure may lend itself to the administration of funds such as these. An important consideration for either of these options would be the need to make sure that the host organization has a geographic focus that allows it to serve both Ohio and West Virginia organizations. A third option might be the establishment of a regional nonprofit capacity building office (described fully later in this section).

Seek Federal or State Funding for Capacity-Building Programming

There are funds available at the federal level, and to a lesser extent the state level, to provide capacity-building programming to specific audiences or geographic regions. For example, there is currently a call for proposals for the Strengthening Communities Fund through the U.S. Department of Health and Human Services in conjunction with the White House Office on Faith-based and Neighborhood Partnerships. The monies in the Strengthening Communities Fund are available as a result of the American Recovery and Reinvestment Act. Several agencies in Ohio and West Virginia are rumored to be planning to submit a grant proposal for this funding, which was due on July 7, 2009. One component of the program is a two-year award of up to \$1 million to an intermediary agency that will use the funding to support capacity initiatives in both secular and faith-based nonprofit entities.

An essential component for this recommendation to be feasible would be finding an entity to apply for the grant money, serve as its fiscal agent, and administer the program. The Regional Profile portion of this report describes a wide variety of agencies that have capacity building as one of their functions. It is possible that one of them could serve as an intermediary, such as the agencies described in the model programs below (and some may even be applying for the current federal funding). The other alternative would be the creation of a regional office whose mission is capacity building; such an office could administer a program such as this as one of its programmatic functions (see below for a full explanation of this recommendation).

There are three specific examples of this type of program that can be examined in order to design a program that would best meet the needs of this area. The Corporation for Ohio

Appalachian Development (COAD) provides a local model. In addition, two of the organizations observed during the best practices site visits took advantage of such grant funding to provide services to their target audiences. This region could adopt any of these models, or a version that takes elements of each.

Corporation for Ohio Appalachian Development: As previously mentioned, the Corporation for Ohio Appalachian Development (COAD) delivered capacity-building training, technical assistance, and administered mini-grants in southeastern Ohio as part of a program funded by the Ohio Governor's Office of Faith-Based and Community Initiatives. Though the mini-grant program was cancelled due to budget cuts, the training and technical assistance portions were implemented to organizations receiving Ohio Temporary Assistance to Needy Families (TANF) funds. This is certainly something that could be replicated if there are funding streams available at the state or national level. One limitation was that these opportunities were only available to Ohio nonprofits; if there were to be a program that crossed state lines it would likely have to be a federal program. It would also be helpful if such programming were opened up to organizations that were not receiving TANF funding. All three elements — training, one-on-one technical assistance, and a mini-grant program — would be ideal if the program were to be replicated.

The Michigan NOW! Program: The Michigan NOW! program is a capacity-building opportunity for smaller Michigan nonprofit organizations. The NOW program is administered by the Michigan Nonprofit Association (MNA), a statewide organization that serves the needs of nonprofit agencies. The funding for NOW comes from the federal Compassion Capital Fund. The MNA recognizes six official management support organizations statewide (of which they are one) that provide a variety of types of assistance, including individualized technical assistance, consulting, and a variety of trainings. MNA has developed an extensive set of guidelines for organizations to help guide them to greater effectiveness, accountability, and transparency called Principles and Practices. The Principles and Practices guide the curriculum offered through their trainings, as well as the comprehensive organizational assessment that they utilize with the entities they assist. NOW is just one portion of the capacity building initiatives undertaken by the MNA.

NOW is a federally funded program that has an application process. Recipients receive nearly \$200 in free training as they enter the program. This may include workshops or webinars delivered by one of the six recognized management support organizations statewide. The curriculum for these training opportunities is standardized to improve consistency. Some organizations stop at that point. If the organization wishes to continue with capacity building initiatives, the next step is a technical assistance phase in which organizations can apply for up to 25 hours of individualized, site based coaching with an experienced consultant. At this point the organization has to complete an organizational assessment and an application. The organizational assessment was developed by the MNA and is based on their Principles and Practices. This organizational assessment is used as a guide in developing a plan to meet their organizational needs. Organizations meet with someone to review the organizational assessment and make sure they have prioritized their needs appropriately. If accepted, the organization receives approximately 25 hours of consulting. Participants are required to attend a program orientation and a minimum of one training session offered through MNA or one of the other management support organizations.

At this point organizations can choose to continue on and apply for an Opportunity Grant of up to \$5,000. The types of assistance that can be requested through these grants are varied; however, the requests must match the priorities identified during the technical assistance phase. The most common requests are for the development of plans—technology plans, strategic plans, business plans, etc. Consultants and training are other typically requested types of assistance. Any consulting services are delivered through the six state-wide management support organizations that in turn may subcontract these services out to vetted consultants. These consultants must agree to a rate dictated by the federal grant that is typically below the average fee garnered in the field.

Capacity Building Institute-University of Central Florida: The Capacity Building Institute is a part of Center for Public and Nonprofit Management (CPNM) at the University of Central Florida. The CPNM engages in applied, community-based research, as well as the development of capacity building programming. Such programming is delivered through CPNM's Capacity Building Institute.

The Capacity Building Institute currently has a program, called FACTS II, which is a cohort of small nonprofit agencies that serve minority populations dealing with HIV/AIDS. The funding comes from a grant through the Health Department, which was responsible for selecting the agencies. FACTS II is a multi-year cohort model that provides the agencies with varied types of capacity building assistance. First, the organizations meet regularly for various types of capacity building training; each session includes an opportunity to share with their cohort, providing the organizations with a networking opportunity as well. In addition to training and networking, each organization receives individualized technical assistance through research analysts as well as faculty and staff from the University of Central Florida (UCF). The research analysts are graduate students (at both the master's and doctoral levels) who are assigned to these agencies to provide individualized capacity building support; UCF faculty serve as resources for the students as they work with their assigned agency. As graduate assistants, the research analysts often receive 75% tuition assistance — one of the costs of such an approach to capacity building. Research analysts are assigned to the agency for the duration of the FACTS II program, so they work across multiple semesters. Deliverables are agreed upon between the agency, research analysts, and faculty and include a variety of things, such as annual reports, budgets, or strategic plans. Students meet monthly with UCF faculty or staff (primarily Dr. Kapucu, Director of the CPNM, or Mary-Elena Augustin, program coordinator).

The site visit coincided with one of the final FACTS II cohort meetings, which was quite emotional. After their networking and sharing time, the agencies were presented with copies of their annual reports, developed by the research analysts and printed through grant funding. For most it was the first time they had developed such a report. The agencies were extremely grateful to their graduate students — and the students were proud and saddened that their journey was nearly over. It was evident that both the agencies and the students directly benefited from this relationship.

DEMONSTRATE SUPPORT FOR THE CAPACITY DEVELOPMENT INITIATIVES OF NONPROFIT ORGANIZATIONS

Funders hold tremendous sway over their current and potential grantees, who are always looking for ways to make themselves attractive, and therefore worthy of funding. With such influence, the funding community has the ability to convey the importance of focusing on

organizational development in a variety of ways, many of which may cost very little in terms of money or time.

Modified Grant Application Process

Funders interested in encouraging their grantees to engage in organizational capacity building can modify their grant applications to reflect the importance of these types of initiatives. This could apply to both programmatic grant requests, as well as to those that request assistance with specific capacity building activities. By simply asking a potential grant recipient to describe what activities the individual or organization is undertaking to build organizational capacity, the funder is sending a clear signal that they are interested in working with organizations that are taking steps to grow and improve. This could be as simple as a checklist, or as involved as a narrative description.

Funders interested in encouraging their grantees to engage in organizational capacity building can modify their grant applications to reflect the importance of these types of initiatives.

Common Grant Application

Many organizational resources are often devoted to grant seeking and proposal development. This is a critical and worthwhile endeavor, but if this process were simplified it could potentially preserve these organizational resources to be used to engage in capacity building efforts.

One way to simplify the grants process for nonprofit entities would be to develop a common grant application to be used across the region. Organizations would then have only one application to complete in order to potentially receive monies from regional funders. This would be highly beneficial if the above suggestion — a modified grant application that asks organizations to describe their organizational development efforts — were to be adopted.

The idea of a common grant application has been a topic of discussion among some funders in West Virginia. Tres Ross of the Ross Foundation has been developing an online application that pulls information from IRS 990 data. Organizations would update this information and develop the proposals online. Organizations could request monies from multiple funders, and in turn the funders can easily see who else is working with potential grantees.

Organizational Assessments

As previously mentioned, one regular theme noted in nearly all of the organizations we talked with during our best practices site visits was the use of an **organizational assessment tool**. Such tools are commonly required when organizations request funds for capacity-building efforts. In fact, nearly every organization we met with had some version of an organizational assessment used with the agencies it assisted.

These organizational assessments vary significantly in complexity level, detail, and time involved. Perhaps the most involved organizational assessment process is found in the BEST project. In the assessment phase of the project, organizations use outside consultants and go through a four month assessment process that includes document reviews, interviews with the board and staff, and a quantitative survey.

Two uses of organizational assessments are possible. First, funders could consider encouraging or requiring prospective grantees to complete such a tool even when they are seeking programmatic grants. This would convey that the funder is looking for more than just programmatic outcomes; they want to work with organizations that are healthy and concerned with their own development.

Secondly, as mentioned earlier, if either a capacity-building pooled fund or a specific grant category for capacity-building grants from individual funders is adopted, organizational assessments should be a component of any such recommendation. In this case, completing an organizational assessment is a necessary first step toward applying for funding to implement a project. This can help funders make better decisions about which capacity-building projects to fund, and will ensure that the organization has examined all of its challenges before selecting a project to work on. In this case, some funding may be necessary for outside consultants to either administer the organizational assessment or to review the results compiled by the agency itself.

A number of these tools already exist and could be readily adapted. They vary greatly in their detail and time requirement needed to complete. If local funders do decide to encourage the use of such a tool, they should seek to develop, adapt, or adopt an existing tool jointly so that an organization that is applying to multiple organizations only has to complete this once.

EDUCATIONAL OPPORTUNITIES FOR NONPROFIT LEADERS

Training and development is one form of assistance to address the varying needs of nonprofit entities. As mentioned previously, study participants in various phases mentioned that the key to the success of training is follow-up. Follow-up can take many forms, including

It is highly recommended that any workshop sessions that may develop as a result of these recommendations also include some plan for follow-up in order to enhance effectiveness.

peer coaching, visits from consultants or other “experts,” and additional workshop sessions to collaboratively discuss implementation. It is highly recommended that any workshop sessions that may develop as a result of these recommendations also include some plan for follow-up in order to enhance effectiveness.

It should be noted that there are currently a variety of educational opportunities for nonprofit leaders in the area available through institutions of higher learning. These opportunities should be widely encouraged for nonprofit professionals in the region who plan to remain in the sector to advance themselves professionally in addition to help their organization. See the Regional Profile section for more information about these various programs.

Offer Varied Types of Workshops to Nonprofit Organizations

There are a variety of needs across the region that could be addressed through effective workshops. It could be argued that training should be offered in each of the seven dimensions of capacity we examined, and as resources permit that should be an overall goal. While each dimension is not mentioned specifically below, nonprofits could certainly benefit from workshops that address nearly any of these dimensions and their corresponding indicators. The two areas specifically mentioned — various components of fundraising and board governance — were the most frequent type of assistance requested in the quantitative and qualitative portions of the study, respectively. Other frequent requests for training

found in our study included grantwriting, outcomes measurement, and marketing to potential clients, volunteers, and donors. These are topic areas that should also be considered if at all possible.

These workshops would need to be relatively low-cost to the attendees in order to be attractive, so their overall cost might need to be underwritten by a funding entity of some kind. Local resources can be utilized to provide these workshops. The Regional Nonprofit Alliance from Ohio University has the capability of offering training in several key areas, such as fundraising, governance, strategic planning, business planning, and evaluation. In addition, there are a number of nonprofit professionals in the area that have a wealth of expertise that can be tapped; they may simply need the assistance of someone with a training background to develop an effective curriculum.

In order to ensure that the principles and practices covered in these workshops are fully implemented, it would be helpful to fund follow-up activities in order to maintain momentum after training and to ensure that implementation has occurred. This could take the form of site visits from the workshop providers, a follow-up networking session such as a luncheon to promote discussion among participants, or formal peer coaching.

Fundraising Workshops: Seven of the top ten most pervasive needs identified in the study all relate to financial resources, and the need for effective fundraising. Obtaining funding, expanding the donor base, developing capital campaigns, building endowments, securing corporate or foundation support, acquiring government grants, and writing proposals are all key skills for nonprofit entities. Therefore, offering a series of workshops specifically targeting fundraising skills would be beneficial.

As previously mentioned, the Regional Nonprofit Alliance at Ohio University offers resources in fundraising. Dr. Judith Millisen, the director, was a nonprofit fundraising professional prior to entering higher education. Individual funders have given workshops regarding grantwriting; some of these individuals could be tapped to provide grantwriting workshops as well. In addition to these local resources, the Bayer Center at Robert Morris University offers fundraising training for nonprofits. The Bayer Center, located in Pittsburgh, could serve as a host organization, or it could be contracted to come to this region to provide services.

Another possibility would be the Fund Raising School, an arm of the Center on Philanthropy at Indiana University. The Fund Raising School offers programming in various locations, such as Indianapolis, Orlando, and San Francisco. The Fund Raising School also can offer its full complement of courses on-site in other locations, such as the Mid-Ohio Valley. They offer a variety of topics including an overview of the principles and practices of fundraising, proposal writing, planned giving, developing annual sustainability, managing capital campaigns, board involvement in fundraising, and more. Someone attending four of the six courses offered can earn a certificate in fundraising from the Fund Raising School. The cost of bringing a course on-site varies for each course, with a range of roughly \$12,000 to \$18,000 for a group of 40 participants (or \$300-450 per participant).

The Foundation Center would be another invaluable training resource for the area. As previously mentioned, Marietta College has a Foundation Center cooperating collection. The College has partnered with the Foundation Center previously to provide training. Most offerings are related to financial resources and grantmaking in particular. Hosting additional

Foundation Center training sessions could be beneficial for organizations seeking to improve their ability to locate, apply for, and manage grants.

Focus group participants frequently mentioned the need for board training and development as critical to effective organizational development.

Board Governance Workshops: Focus group participants frequently mentioned the need for board training and development as critical to effective organizational development. Consequently, a low-cost workshop series that focuses on governance could be very powerful in assisting nonprofits in the region. The key to success with board governance workshops would be the ability to engage board members as well as staff in the training efforts.

The Regional Nonprofit Alliance at Ohio University is again a logical resource in this area. Dr. Millisen has done extensive governance related research, and has previously developed training materials for Board Source.

Scholarships

One barrier to attending training in its various forms—workshops, college coursework, conferences, etc. — is cost. Nonprofit organizations struggling in this economy often minimize or eliminate their training and development budget line items. If organizational resources do exist, they may be minimal and reserved only for managerial staff. Nonprofit employees at times find themselves paying for their own professional development.

Individual funders could offer scholarships to nonprofit organizations or individuals. An alternative would be to have a pool of scholarship resources that comes from multiple funders. This is a model used by the Nonprofit Alliance at Kellogg Community College, which administers a scholarship fund along with its capacity building pooled fund. These scholarships should be open to varied types of professional development activities to encourage nonprofit professionals from various mission areas and administrative levels to apply.

Scholarships should require an application and a follow-up report that details information about implementation. By requiring a report the funder is helping to reinforce that follow-up is critical for successful implementation of the information received in various forms of training.

Nonprofit Workshop Series: *The Voinovich School at Ohio University and West Virginia University at Parkersburg's Community and Workforce Education program have engaged in discussions about offering a nonprofit workshop series as part of a continuing education program for the region. The proposed course listing can be found in Appendix C of this report. The workshops would be a mix of traditional instructional methodologies with opportunities for interaction and discussion by attendees.*

One approach to the promotion of such a workshop series would be to use a cohort model, such as the one used by the Capacity Building Institute at the University of Central Florida (the FACTS II program), or the Best Project of Genesee County, Michigan. By having a group of nonprofit leaders attend these courses together, there is an opportunity for learning not only from the course instructors, but also through the tremendous networking opportunities with peer organizations. A cohort approach may have the advantage of applying positive group pressure on managers and organization to continually move forward with their organizational capacity building.

To launch such a workshop series it would be most effective to have some funding entity (or a combination of several funders) underwrite the cost for the first cohort. The success of that cohort could be used to publicize subsequent workshop series, convincing agencies that the training is worth the investment. If a scholarship system for nonprofit professionals, such as suggested above, existed this could also be a source of funding for individuals seeking to broaden their skills and improve their organizations.

Digital Training: *One of the major barriers to engaging in training and development for nonprofit professionals is time. To take the time to attend even a one-day workshop means falling farther behind in the day-to-day tasks of the organization. As a result, in the words of one of our focus group participants, “the description of the workshop really has to be compelling for me to be willing to give up time that I already don’t have in my day”. To compound this, organizations in this particular region often have to travel to attend workshop sessions. Many workshops and other resources are available in Columbus, Cincinnati, Cleveland, Charleston, Huntington, etc., all of which are typically at least a two-hour drive. Even when training is offered in population centers found in this area, such as Athens, Marietta, or Parkersburg, smaller rural agencies that truly need the assistance find geography to be a major barrier.*

Advances in technology may provide some digital alternatives to traditional face-to-face training that requires participants to travel long distances, such as webinars or DVDs. Focus group participants had mixed feelings about the use of technology as a delivery method for training. Many pointed out the savings in time and money by avoiding travel. Others described the greater accessibility to topics they would otherwise not be exposed to. Conversely, several participants were concerned that online formats are too isolated and did not provide opportunities for interaction and networking that they enjoyed about attending training.

Webinars: Webinars are an online delivery method for training. It is a popular misconception that since webinars are not a face-to-face training format that they are static, lecture only sessions with minimal interactions. Lecture is often a part of content delivery, but that need only comprise one part of the course. The course instructor often utilizes a Power-Point presentation to help participants follow along. Many webinars also allow for participants to interject to ask questions, share their experiences, and dialog with their classmates through varied platforms, such as Microsoft Live Meeting. Sessions can also be archived and later viewed for review or by individuals who were unable to “attend” the session.

Webinars allow organizations to participate in training sessions even from great distances. This can give them an opportunity to learn from experts and interact with peers from both near and far. This could be very attractive to the more rural organizations in the Mid-Ohio Valley. This can reduce the perceived loss of resources — both travel time and money associated with attending a workshop. That is not to say that webinars are without their challenges. They are web-based, so participating organizations need to have high-speed Internet access in order to participate effectively. Webinars require technical expertise on the part of the organization offering the training, as well as some expertise from the participant in order to connect and fully participate. Despite these barriers, this approach has become more prominent for training and development across sectors. The Michigan Nonprofit Association has turned to using webinars for the NOW program training and has found them to be very successful. They have had organizations ask to participate from across Michigan, as

In order for Webinars to become a more prevalent delivery method for training an investment may need to be made in software platforms to develop the programs.

well as out of state — even organizations that are not mandated to take the courses.

In order for Webinars to become a more prevalent delivery method for training an investment may need to be made in software platforms to develop the programs. Some training of trainers might be necessary in order to ensure that the methodology is being used to its full potential, and does not devolve into

online lectures. Trainers may also need to learn the troubleshooting basics in order to assist program participants. Some of this might fall under the purview of a regional information technology specialist if one did exist (see recommendation below).

DVDs: The Listening Sessions held by the Regional Nonprofit Alliance in the late summer of 2008 indicated a need for specific types of training, particularly in board development. At the same time, participants noted the difficulty of finding common time for training, particularly when you are trying to get the board to participate as well. From this an idea for DVD training packets was developed. The Regional Nonprofit Alliance is currently developing a packet on board governance, and may have the capability of producing more as resources permit.

The DVD portion would be a filmed lecture, led by faculty from Ohio University's Voinovich School. While not an interactive format, these DVDs do provide an organization with a great deal of flexibility in using the training in a way that best suits the organization (and its board). The training packet would also include a series of handouts — readings, best practices information, assessments, and more — that would help the organization process and utilize the information shared in the presentation. The DVD packet would be available to borrow from the Regional Nonprofit Alliance, as well as other key locations, such as from some local funders.

Funding would be necessary for the production of the DVDs and the reproduction of the relevant materials, as well as postage if packets were to be mailed directly to organizations. Another alternative would be to keep the lecture and materials online to make them more accessible. Streaming video online is at times not as reliable as a DVD, but that challenge may be offset by the ability to reach a wider audience. At this time an online option is not a viable one due to limitations on server space. A dedicated server would be necessary to move in this direction.

FACILITATE EFFECTIVE NETWORKING AND RESOURCE-SHARING AMONG NONPROFIT ORGANIZATIONS

Perhaps an obvious way to improve organizational effectiveness for nonprofits in the region is to simply raise awareness of the available resources that nonprofits do have in the area. The focus groups participants frequently mentioned that there was “a lot going on” in terms of area resources, but that it was difficult to keep track of who was doing what, and where resources could be located—particularly for those organizations that cross state borders. In part, we hope that the Regional Profile section will help identify sources of assistance for nonprofit organizations. However, a deliberate focus on raising awareness of available resources and how to access them is certainly a need.

The ability to network with other nonprofit peers is noted as critically important in the literature, which was confirmed by the findings of this study. Enhancing opportunities to network

with peers and organizations facing similar challenges can help you feel as if you are not alone, and can provide some varied solutions to the challenges faced in the sector.

Networking Luncheons

One of the benefits of attending our focus group sessions for participants was a chance, if only a brief one, to interact with others. Many times throughout our sessions we found that when a particular challenge was mentioned, another participant would chime in and share what they had done in a similar situation, or provide the name of a resource (a person, an organization, a book, etc.) that would be helpful. Such interactions can and should be more deliberate and more frequent.

A regular opportunity to interact with other executive directors was seen by participants as potentially very beneficial. Networking luncheons were mentioned as a possible method. The Parkersburg area already conducts these types of luncheons through an organization called the Community Service Council. This technique is also being used effectively by the Michigan Nonprofit Organization.

The Community Service Council meets monthly. These are brown-bag sessions which often have guest speakers on relevant topics in attendance. The agenda remains relatively informal. After speaking with several people who either currently participate or who have in the past, it is apparent that this is a rich sharing opportunity that should continue and even grow. Setting up similar luncheons in other areas would be beneficial as well.

An obvious issue is how to involve agencies from distant corners of the rural counties in this region to participate. This is undoubtedly a concern. One alternative might be to have networking dinners, or perhaps “happy hours.” An evening event might be better attended by those having to travel farther. Another alternative might be to have less frequent — perhaps quarterly — meetings in order to encourage rural attendance.

Peer Mentoring Network

Another type of peer assistance could be the development of a peer mentoring network. This would be particularly productive for new executive directors — new to the sector, to the mission focus area of their organization, or to the geographic region. New nonprofit executives could be matched with experienced executives. This is similar to the new teacher induction model that is prevalent in the education sector, which could serve as a model for such a program. Mentoring relationships among educators are typically beneficial to the newbie, who is learning a great deal about how to effectively do their job and help their organization, as well as to the experienced mentor, who has to reflect on what works well and what about their practice needs to be improved. Both sides can learn from one another.

The Indiana Nonprofit Resource Network (INRN) experimented with a peer mentoring program last year. Many elements of their program could be adapted to develop a similar program in this area. Mentors and protégées were matched by city size and mission area whenever possible. The protégée was required to set a minimum of one goal to work on for the year. The pair was encouraged to have at least 2 phone meetings during the course of the mentoring relationships. The INRN encouraged mentors to ask probing questions as opposed to just telling their protégées what to do or how to fix something. This is an element of peer coaching, a model used in education.

One necessary element for a formal peer network to be effective would be an individual or organization to match protégée and mentor. The INRN also recommended sending reminders to both parties to make sure that the mentoring relationship does not fall by the wayside, something that may easily occur with busy nonprofit executives. Monthly tips on topics of discussion can serve as gentle reminders that the pair should be in contact. The individual administering such a program would need a way to keep track of the organizations in the region and their executive directors in order to make matches, which is no small task. The INRN is an arm of the United Way, so it has some centralized data on the organizations and their executive directors. Since no such overarching agency exists in this region, there is not currently a comprehensive list of agencies and executive directors to work from, which may make this a difficult task. An alternative might be to try to establish mentoring relationships during networking opportunities, such as the lunches described above. Another alternative might be to have such a mentoring program fall under the auspices of a regional office (described below).

Establish a Regional Discussion Board for Nonprofit Organizations

Another relatively low-cost method for promoting peer interaction and dialog would be the establishment of a regional nonprofit discussion board. Discussion boards can be set up to where a participant can receive an email message each time there is a posting on the discussion board, or he or she can receive a digest format which sends one email per day with all of the discussion embedded. In either case, participants can read the posts at their leisure and choose to respond to any posts they wish.

Such a discussion board could have a main portion where all nonprofits interact, as well as interest sections based on organizational mission. For example, a topic regarding filing 990 forms might be relevant to all organizations on the board and could be posted in the main discussion area. There might be a separate section of the board that targets youth serving agencies where someone might post information about new requirements for background checks.

An effective discussion board would need a moderator. The role of a moderator would be to monitoring the discussion, adding topics to get people talking, and helping to field questions about the board and how it operates. The moderator could be particularly mindful of posting relevant information specific to this region, something that seems to be currently lacking.

If such a discussion board existed, it could become a way to connect people and set up mentoring relationships. As mentioned in the previous recommendation, one of the challenges of a peer mentoring network is how to get people connected. If people are interacting with one another via the discussion board, some of these mentoring relationships may develop naturally if no formal network exists.

The major challenge with a discussion board would be how to get the word out that such a board exists. If organizations are unaware that a resource, such as a discussion board, is available then its chances to impact organizational effectiveness are minimal at best.

Raise Awareness of Regional Resources

One of the issues identified in the focus group sessions was a lack of awareness about where to locate information and resources. There seemed to be an understanding that some organizational development resources were available to local nonprofits, but many

organizations did not know how to access these resources or understood what agencies, groups, or organizations provided which services. In writing this report, the researchers sought to include a description of all capacity building activities in the area in the Regional Profile portion, which was at times difficult, seeming to confirm the concern voiced during the focus groups.

For example, the Regional Nonprofit Alliance, a program developed by the Voinovich School at Ohio University and sponsored by the Sugarbush Foundation, has been mentioned several times in this report as a regional resource regarding nonprofit capacity building. The Regional Nonprofit Alliance is a fairly new program that offers a wide variety of online resources regarding best practices for organizational effectiveness, some templates and sample documents, basic information regarding various organizational needs, and frequently asked questions. The Regional Nonprofit Alliance also provides workshops on some topic areas, and provides technical assistance on a limited basis due to resource availability. The Alliance also has a print based resource library that can be utilized by organizations. However, when talking with organizations at various points during the study many were unaware of the rich array of resources offered by the Alliance. This is also true of many of the other valuable resources described in the Regional Profile portion of this report.

One of the issues identified in the focus group sessions was a lack of awareness about where to locate information and resources.

As mentioned in the previous recommendation, no matter how well developed any resource may be, it is only effective if organizations are aware of it and use it. As a result, the creation of a single document or web-based resource that collectively lists and describes all available resources to local nonprofits interested in capacity building would be tremendously beneficial. Once created, this document would need to be widely distributed to the nonprofit community in some way, such as a mass mailing, in order to be useful. A marketing campaign in which these resources were advertised might also be beneficial. Funding entities could also provide a link from their websites to a page that contains a comprehensive list of regional resources, or include a flier in any mailings that they send to their grantees.

Document Sharing and Templates

Policy templates were noted by several focus group participants as being a very valuable resource, though they expressed frustration at being able to locate “good ones.” These templates can assist an organization as they develop policies to govern different operational procedures, such as human resources. Some resources, such as the Standards for Excellence program, outline what these policies should cover, but the organization must adapt a document to fit their organization. For example, the Standards states that a human resources policy that outlines working conditions, vacation and sick leave guidelines, employee benefits, evaluation, grievances, confidentiality, and more. The organization must then develop a document that covers these various issues. The wording of such a document can be difficult for some organizations, particularly smaller grassroots operations. In many cases these templates exist in abundance online. The difficulty lies in sorting through the large number of resources available online to know what is good. By having these templates collected by an intermediary agency that has sorted through and identified the quality of these templates, it is more likely they will be of use to regional nonprofits. It would also be potentially beneficial if these templates were grouped in some way based on organizational size or type.

The Regional Nonprofit Alliance discussed above does have some templates available in certain topic areas, such as evaluation. An expansion of the templates available on this site, or through one of the other intermediary agencies discussed, could be very valuable.

Document sharing would be another alternative to help assist organizations seeking to develop policies and procedures. A Wiki could be developed that would allow any participating member of the site to upload documents that can be utilized by others. Ohio Nonprofit Resources created such a resource on its website, although it does not appear to have been widely utilized. Two challenges exist to the success of such an approach. First, there needs to be a number of resources available to organizations, which means there would need to be a focused effort to get organizations that do have such policies to share them. This is a challenge because organizations that already have these resources are often not out searching for these resources, so they would need to be prompted or encouraged to post information. An individual or organization could get the ball rolling by posting or linking to some of these types of documents where they already exist on the web, much like what the Regional Nonprofit Alliance has done in some areas. The second challenge is also a marketing one. Organizations would have to be made aware that such a resource exists if they are to benefit from it. One possibility would be to provide links to these resources from websites or resources frequently used by nonprofits in the region, such as funder websites.

Promote Sharing of Back Office Services

A current topic of interest in the literature regarding capacity building is the various ways that nonprofits can work together and develop strategic collaborations. Collaboration in the nonprofit world takes many different forms, from information sharing to joint programming all the way to formal mergers. Nonprofit collaboration can be defined as actions taken by nonprofit organizations to address challenges through joint effort, combined resources, and collective decision-making, with shared ownership of the end result (Guo & Muhittin, 2005). These collaborations can be formal or informal. One collaborative approach might be to promote the sharing of back office services. Back office services are those services necessary for the functional operation of the organization, but are not necessarily tied to the organizational mission. These services include human resources tasks such as benefits administration and

payroll, financial management and accounting, information technology training and support, and more. Sharing of office space is another possibility, allowing organizations to pool resources to pay for janitorial services or office equipment and services such as phone systems and copiers.

The provision of back office services through a centralized resource at fixed, low costs could be very beneficial, particularly to smaller, grassroots nonprofits in this region. These are organizations that often have very small staffs (if any) and limited resources. By outsourcing basic functions to another entity, the organization is freer to focus its resources on programming as well as on ways to enhance its overall organizational effectiveness. The Volunteer Action Center offers access to janitorial services, phones, conference rooms, and more at a discount rate to organizations in the Mid-Ohio Valley. This is a step toward the provision of such back office services. Funding would be required to expand what the Volunteer Action Center already provides, or to find another intermediary organization that might be able to provide such services. It would be essential to keep the cost of these services low so that they would be affordable to the smaller organizations, which may also require funding from outside sources to supplement any fee schedule.

A current topic of interest in the literature regarding capacity building is the various ways that nonprofits can work together and develop strategic collaborations.

Another benefit of promoting opportunities to share back office services might be greater dialog among the nonprofit organizations. The entities who share back office services do not necessarily need to have similar missions; as a result, they are organizations that may not otherwise interact. Despite the fact that their missions may differ, there may be some similarities, such as in the population they serve, that would lend themselves well to other types of formal collaboration that could be beneficial to both entities.

In addition to savings associated with streamlining administrative tasks, sharing back office operations provides potential savings in other ways. An entity representing several organizations can improve their purchasing power, for example. That is increasingly important when negotiating health and dental benefits (Wallace, 2009). There is also less of a need to seek outside assistance for some organizational tasks since the concentration of services means that there may be a broader representation of expertise available. Finally, outsourcing some of these back office tasks can alleviate issues with turnover.

Traditionally, funders have been reluctant to provide grants to cover operating costs of organizations. As noted earlier, assistance with general overhead costs was seen as extremely helpful by 75% of study participants. Some funders might find it to be more acceptable to fund shared services for groups of nonprofits as opposed to single entities. One example of this approach is the Z. Smith Reynolds Foundation (located in North Carolina). The foundation supported the hiring of fundraising fellows and related training as well as a shared donor database for a group of six water conservation entities. This foundation also hired a shared fundraising consultant for organizations with domestic-violence related missions (Cohen, 2009).

Other areas are also beginning to explore the sharing of back office services. The greater Washington D.C. area recently launched BOB, or Back Office in a Box through the Center for Nonprofit Advancement. BOB is a collection of administrative services available at reasonable costs. BOB has started with financial management and accounting services, called BOB Finance.

In Minneapolis, an organization known as MACC CommonWealth Services developed to provide back office operational support for five area organizations. CommonWealth Services relocated administrative employees from each individual organization into one entity so that each organization could draw on the expertise of a larger overall staff of twenty. In its first year the MACC CommonWealth not only improved the organizational effectiveness of the individual entities, but also saved the five participating organizations nearly \$200,000. Five more organizations have since joined.

A comprehensive program such as the MACC CommonWealth provides tremendous benefits, but does have significant upfront costs, such as what one would see with the start up of a business. There are also challenges associated with organizational culture if the back office operations are being conducted by a joint team comprised of the individual agencies that are now working together. Stan Birnham, President of the CommonWealth, feels that the benefits for the individual organizations far outweigh these potential obstacles (Wallace, 2009).

Provide Support for Organizations Considering Mergers

Strategic restructuring. Consolidation. Mergers. There are many terms used to describe a fairly “simple” concept — to encourage agencies to join together in logical ways to reduce costs while maintaining or improving service quality for their clientele. The discussion of

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strategic restructuring has become even more pronounced in the current economic climate in which many agencies are struggling to keep afloat and are competing for not only finite resources, but declining ones. Entities with similar missions find themselves competing fiercely not just for financial resources such as grants and donors, as well as clients, media coverage, and volunteers. Mergers are also desirable for their ability to improve the quality of services, expand services, or to reach out to a larger client base.

While there are no concrete figures regarding the number of nonprofit mergers, anecdotal evidence seems to indicate that the number is on the rise (Banay, 2007). David La Piana of La Piana Associates, one of the foremost consulting firms on merger, noted a dramatic increase in requests for service. In January 2009 alone La Piana received 40 inquiries regarding merger projects; it had 160 total in 2008, and they currently have twice as many active merger projects as they have in the past (Delevingne, 2009). The Lodestar Foundation has an award called the Collaboration Prize, which is open to organizations exploring varied types of collaborations, including mergers. Lodestar received 644 nominations from across the nation, half of which were related to joint programming, with mergers and administrative collaborations each comprising 20% of all nominees (Takagi).

The merger of some or all of the functions of an agency with another may seem like a logical solution to limited resources. After all, the alternative is often closing shop. However, there are a number of issues related to organizational culture, hierarchy, and delivery of services that almost immediately come to the fore when talks of a merger occur. Who is the right partner for our organization? Who will the executive director be — the executive director of Agency A, or Agency B? Where the two agencies offered similar programming, which one stays, and which one goes? Do we have buy-in from our board and line staff? There are also myriad legal and financial issues to consider that may be beyond the scope of current staff.

One of the reasons that mergers do not always succeed is that organizations move forward without being familiar with the complex tasks that need to be carried out in order to make the merger a success. A consultant should be brought in early in the process to determine the feasibility of the merger before it proceeds, and to give both sides a clear understanding of what needs to be done, and what the change will look like. La Piana notes that many organizations that approach his firm regarding mergers end up developing other types of partnerships as opposed to a formal merger, such as joint fundraising projects, sharing of back office costs or office space, or collaborating on some aspects of programming (Delevingne, 2009). A consultant would help organizations contemplating formal mergers fully explore all of these alternatives and select the best approach.

A consultant is also important in order to administer the merger itself. The Lodestar Foundation’s Nicole Wallace noted a lesson learned from a failed merger project — the lack of a third party to oversee the actual collaboration, which left the burden of implementation falling

primarily on one of the partners (Takagi). A consultant would also be able to act as that third party overseeing the implementation of the merger, giving it better odds for success. The consultant can also serve as a neutral party in helping navigate the complex maze of organizational culture, helping all parties find commonalities in order to build a single unified entity. As Bill Strathmann of the Network for Good commented, “Mergers are done for money reasons; they fail for people reasons” (Ottenhoff, 2009, p. 1).

Of course, if strategic restructuring projects ranging from coordinating on some programs all the way up through formal mergers are to succeed, a source of funding needs to be available to organizations interested in pursuing these opportunities. Funding would be crucial in order to facilitate the hiring of consultants as well as to pay for the legal and financial tasks necessary to implement the merger itself. In addition to providing the financial resources to facilitate a merger, a funder can be critical to the success of a merger. O’Brien mentions that a third party, such as a charitable foundation, can encourage the spirit of “trust and cooperation” that is so critical to the success of any merger (O’Brien, 2009, p. 1).

One factor that can assist in a successful merger is a third party, often a charitable foundation, which can help foster trust and cooperation – and provide bridge funding – during the negotiations and “due diligence” phase, as two nonprofits are warily gearing up to merge.

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Conferences

Conferences are excellent opportunities for nonprofit leaders to network with one another, learn about best practices in organizational effectiveness, hear about key trends and legislation impacting the sector, or receive training on various topics related to their organizational mission. Conference opportunities do exist in both West Virginia and Ohio for nonprofit organizations. For example, the West Virginia Commission for National and Community Service put on the Faces of Leadership conference in July of 2009, which provided a variety of programmatic and organizational effectiveness related training opportunities.

Funders could provide scholarship monies, as mentioned, to promote attendance at these conferences in either Ohio, West Virginia, or at the national level. Another alternative would be to develop and fund a regional conference that draws nonprofit organizations from both states. If there is to be a regional approach to organizational capacity building in the nonprofit sector, it is necessary to promote opportunities to interact across state lines, which does not seem to happen frequently.

ENHANCE TECHNICAL ASSISTANCE OPPORTUNITIES

Technical assistance in this context is the provision of direct, hands-on support for various managerial challenges for the nonprofit agency. It can take a variety of forms, including consultants, student projects, interns, volunteer experts, and more. The instrument used in this study categorized workshops and training as a form of technical assistance. For the purposes of recommendations, references to training have been included in a separate heading regarding educational opportunities seen above. One of the benefits of technical assistance in these forms is that it can be individualized to the specific needs of an organization, rather

than a more global approach that describes what an ideal organization should be doing. It can take into account the vast array of factors that shape the way a nonprofit approaches its attempts to improve organizational effectiveness. Technical assistance entails bringing in outside expertise in its various forms, which can be helpful when an organization needs an objective point of view or when the agency needs a specialized area of expertise that may fall outside of the skill set of the current staff.

Several of the best practices sites visited utilize a consultant directory. Though the approach to this consultant directory varied in each location, nearly each location did indeed have such a tool.

As described in the Regional Profile, there are some organizations in the area that provide technical assistance to nonprofits. However, it seems from both the quantitative and qualitative findings of this study that there is a clear need to enhance the opportunities that do currently exist. Of course, as with most recommendations, the first step to developing many of these specific recommendations is funding.

Consultant Directory

Several of the best practices sites visited utilize a **consultant directory**. Though the approach to this consultant directory varied in each location, nearly each location did indeed have such a tool. As mentioned in the Regional Profile, the Ohio Nonprofit Resource Network has a consultant directory available online. We were unable to find detailed information about this consultant directory—when it was last updated, how the consultants were vetted, etc. As a result, we cannot say at this time whether the Ohio Nonprofit Resource Network is a current, up to date resource that could meet this need. In addition, there currently does not appear to be an active consultant directory in West Virginia. The creation of a consultant directory specifically tailored to this region — and one that specifically crosses state lines — could be an invaluable resource.

Consultant directories provide a list of individuals and organizations that deliver a variety of capacity-building services to nonprofit agencies. Most directories have multiple search techniques, including searching by geographic region served, by specialty area (such as fundraising or strategic planning), or by organizational missions (whether they have worked with arts and culture organizations, youth serving agencies, etc.). It would be ideal if an agency could search by one, two, or all three of these parameters.

The key difference in the approach taken to consultant directories seems to be whether or not a screening, or vetting, process is used. The Michigan Nonprofit Alliance hosts a directory, referred to as a yellow pages (available at http://www.mnaonline.org/yp_search.asp), in which consultants can pay to be listed, but the directory clearly lists that there is no screening of consultants. In essence it is like a traditional yellow pages section of a phone book. The Michigan Nonprofit Alliance does carefully screen any consultants that it works with directly in their programs (such as the Michigan NOW! program) and has an application process for those consultants. It also provides resources to help agencies learn how to screen consultants that they may work with.

The Nonprofit Solutions Center takes a different approach and provides some screening of the consultants listed in their database. This organization is a component of the Solutions Center at Indiana University Purdue University Indianapolis. The Nonprofit Solutions Center hosts a comprehensive consultant database with twenty areas of specialization (available at <http://www.nonprofitsolutions.iupui.edu>). Consultants are screened — and listed — as

individuals, not as the agency they work for (if any), so that when a nonprofit is screening potential consultants they are seeing information about a specific individual they will work directly with rather than just an organization. Consultants who wish to be a part of the directory must submit recommendations from at least two organizations they have worked with for each area of specialization they would like to be listed under. The Nonprofit Solutions Center contacts the organizations that provided the recommendation. At this time, a consultant is not listed until all areas of specialization he or she has requested have cleared; in other words, until the Nonprofit Solutions Center has received and talked with at least two organizations per specialty area.

The Center is considering making specializations public as they become cleared in order to accelerate the process. Each consultant has to agree to adhere to the ethical standards of the national association that guides consultants. The Center provides information about how to select a consultant and suggests conducting interviews. Each time an agency conducts a search it must acknowledge a disclaimer that states that search results do not serve as a recommendation, and that it is the organization's ultimate responsibility to select a consultant that best suits its needs. The bottom line is that the search results are an entry point, and that any organization should interview multiple consultants to find the one best suited for the organization and the project.

Ask an Expert

Consultants are an effective form of technical assistance for many capacity-building projects in nonprofit organizations. However, there are times where a consultant may not be the best option. Resource constraints may make it difficult, if not impossible, to hire a consultant.

Some organizational needs may also be as "simple" as being able to ask a question that may not require a longer term commitment to a consultant. The Listening Sessions held by Ohio University found that many participants saw access to professionals with nonprofit experience (lawyers, accountants, marketing, human resources, and information technology) as an unmet need in the region.

Ohio University's Regional Nonprofit Alliance is planning to develop an expert bank that would be available to nonprofit organizations. Nonprofit organizations would call the Regional Nonprofit Alliance, which would then match the question with an appropriate volunteer expert. These volunteer experts would be asked to commit to answer approximately two questions per month. While the experts would be volunteers, some funding would be necessary for the recruitment process as well as to provide some recognition for the volunteers.

Regional Consultants

As mentioned previously, a number of the organizations described in the Regional Profile offer some form of technical assistance. For example, the Ohio Association of Nonprofit Organizations provides free technical assistance to its members. However, the availability of this assistance is uneven, as was the knowledge of these resources among the members of the nonprofit community that participated in this study. Where to go for assistance is at times most problematic for any agency that reaches across state borders.

A regional consultant could be hired to provide technical assistance to nonprofits in the region. Of course a cadre of consultants with varying areas of expertise would be the ideal,

but that might be something that needs to be worked up to if a single consultant was well utilized. In addition to direct technical assistance to organizations, the consultant(s) could also provide some workshops as well. The consultant(s) could also provide some of that valuable follow-up after training sessions that study participants felt was critical to full implementation of organizational changes that promote effectiveness.

The focus group sessions discussed the appeal of this type of approach. Most thought it could be very beneficial. They also discussed a desire for shared regional experts specifically in the area of information technology. While we recommend starting with a single paid consultant, information technology experts are typically very specialized. Therefore an information technology specialist would not provide the all around expertise necessary if hiring a single regional consultant, but might be more desirable.

The challenge of a regional consultant would of course be finding funding to pay for the salary of such an individual. A related concern would be finding an organization to house the consultant. One option might be a Regional Nonprofit Capacity Building Office (see final recommendation). The use of a regional consultant could be open to all regional nonprofits, or could be done through an application process, such as the one used by the Michigan Nonprofit Alliance and its federally funded Michigan NOW! program.

Student Interns

One of the types of technical assistance seen as most effective in the quantitative portion of the study was the use of student interns. As noted in the Regional Profile section of this report, there are several institutions of higher learning in the region. Many of these colleges or university either encourage or overtly require students to complete internships or co-op experiences in which they apply the knowledge learned in the classroom to a real-world setting. Depending on their major, the student interns may have a variety of experiences which they may bring to an organization that may assist in its attempts to improve organizational effectiveness. These internships can take place in most cases in any sector — public, for-profit, or nonprofit.

One challenge nonprofit organizations face is how to attract interns. Students tend to be attracted to internship opportunities that provide some sort of salary. The nonprofit entities most in need of this type of assistance are also often the ones who can least afford to pay a salary, even a nominal one.

One challenge nonprofit organizations face is how to attract interns. Students tend to be attracted to internship opportunities that provide some sort of salary. The nonprofit entities most in need of this type of assistance are also often the ones who can least afford to pay a salary, even a nominal one. A second major challenge is how to make students aware of the internship opportunities that exist.

Colleges and universities typically have a career center to assist students in finding internships as well as permanent employment after graduation. Nonprofit entities need to utilize these career centers to market their internships. Nonprofits can also reach out to professors in specific programs and ask them to recommend students or to pass information along to their students.

Nonprofits that are designated as federal work study approved sites can also leverage their work study allotments to attract student workers. Federal work study is a form of student aid in which the student is paid an hourly wage in return for work — which could be used

to pay student interns. An internship differs from simply having a student worker in that an internship has some form of academic component and expectations. In other words, the student is expected to do more than make copies or answer phone calls. Using federal work study funds to help pay for interns can provide a higher level of assistance with organizational challenges. Information about how to become a designated federal work study site can be obtained from each institution's student employment office.

In addition to federal work study, a general fund could be made available to help organizations pay for interns. This could be a pooled fund that several funders contribute to, or it could be a category of assistance provided by individual funders. A pooled fund would require an entity to administer such a program. This could perhaps be done through a community foundation, or a regional office (see final recommendation).

Another alternative would be to provide the money directly to specific institutions of higher learning to administer through an application process of their own, leaving the administrative tasks for such a program to an already established entity that typically deal with scholarships and other academic competitions. For example, the McDonough Center for Leadership and Business at Marietta College has a small fund, the Schwartz Internship Initiative, to provide financial support for students pursuing internships in nonprofit organizations. This was an area of interest for the McDonough Center's former dean, Dr. Steve Schwartz. The fund was collected in honor of his memory. Students complete an application in order to receive the subsidy which looks at academic standing, the goals and purposes of the internship, and more. This fund will last a few years before the funds are exhausted. The establishment of an endowed fund might prevent this.

Service-Learning Projects

The use of students to assist nonprofit organizational growth may extend beyond student interns to include individual or groups of students working on a project that relates to the goals and outcomes of a particular course, a pedagogical approach known as **service-learning**. Service-learning requires students to apply key concepts from their coursework in a real-world setting and participate in reflection to evaluate those experiences.

There are some current service-learning opportunities for college students in the region in our nonprofits. Students who are part of the McDonough Leadership Program at Marietta College engage in two to three service-learning projects during their undergraduate career; however, many of these are related to impacting the programmatic side of the nonprofits as opposed to directly targeting organizational effectiveness. There are varied other courses in the McDonough program, as well as within other departments at Marietta College, that offer other service-learning opportunities that may relate to capacity issues, such as marketing, writing business plans, etc. These types of projects are often taking place within capstone courses, taken by students as they complete a degree with the intent of providing a culminating, real world experience for the students.

In addition, the students in the Master of Public Administration program at Ohio University participate in practicum experiences in which they participate in service-learning projects. During the 2008-09 academic year, Ohio University worked with the Parkersburg Community Foundation on a pilot program to engage in capacity-building projects in three area organizations. At this time it appears that the program will continue in the next academic year as well, with some minor modifications.

The University of Central Florida's Master of Nonprofit Management program has used a similar approach for a long time. Class projects apply concepts in volunteer management, strategic planning, grant writing, board development, program evaluation, fiscal management, public relations, and more, which can be used to provide capacity building assistance to real-world organizations. Typically one or more of the students in the group has some involvement as either a paid staff or as a volunteer with the target organization.

Since service-learning opportunities already exist in the region, the key to this recommendation is how to improve these endeavors. Service-learning projects such as these potentially have rich benefits for the student in terms of experience, as well as for the organization, which receives assistance at little cost, which is what they typically can afford. Despite these rewards, there are some potential challenges. For the nonprofits, they must first know how to find student groups to work with. This can often be difficult since the institutions of higher learning are large organizations in themselves, and knowing exactly who to contact can be difficult. Secondly, most service learning projects must take place according to the academic calendar, which is not always on par with what the organization needs. The students must come in, assess the situation, consult with the client, and develop a deliverable that is acceptable to the organization and their professor all within an academic quarter or semester. That leaves little time for implementation of the deliverable in many cases, which is then left to the organization. Some organizations have engaged in these projects and then have felt that they were left with things unfinished as they searched for the personnel and/or financial resources to adequately implement the project.

In order to improve the quality of service-learning opportunities, we must find a way to better market these to nonprofits so that they know how to take advantage of these opportunities. Institutions of higher learning may need to provide a clear "point person" to contact for organizations interested in working with student groups.

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In order to improve the quality of service-learning opportunities, we must find a way to better market these to nonprofits so that they know how to take advantage of these opportunities. Institutions of higher learning may need to provide a clear "point person" to contact for organizations interested in working with student groups. This person should be the starting point for all

requests, regardless of academic department. He or she should have information regarding which programs or departments have service-learning projects that might fit with requests from nonprofit agencies, and who requests should be routed to after initial contact. This could take place via telephone, or through an online form.

In order to fully prepare both sides, it might be helpful to develop a standard memorandum of understanding to be reviewed by organizations prior to requesting assistance that would lay out precisely what the student groups are able to do and what deliverable(s) can be expected. At the very least a specific, targeted menu or list of project types can be given up front to help organizations identify needs that fit with both the capability levels of the student groups and the time frames of the academic calendar. These could be provided online so that organizations enter the project with a full and complete understanding of what they are getting.

It might also be logical to pair this recommendation with the previous suggestion, student interns. An intern could follow a service-learning project and become responsible for overseeing the implementation of the product created by his or her peers after the group has disbanded.

Some funding may be beneficial in order to develop online forms to request assistance, or do some type of marketing campaign to regional nonprofits to make them aware of what service learning opportunities are available. It might also be beneficial to have funds available to organizations that have worked with student groups to develop a plan of some kind in order to help them implement a new fundraising strategy, a business plan, etc. This could be done within current funding guidelines perhaps, or could be a component of a capacity building pooled fund as described earlier.

Apply for a Regional AmeriCorps VISTA

AmeriCorps VISTA (Volunteers in Service to America) is a federal program that is focused on poverty alleviation. Nonprofit organizations, educational institutions, or tribal or public agencies that have projects that are focused on poverty relief can apply for a VISTA. As AmeriCorps members, VISTAs are paid a living stipend of roughly \$10,000 per year. They also receive health benefits and an end of service education award.

VISTAs are AmeriCorps members. The key difference is that VISTAs provide indirect service, while AmeriCorps members are involved in direct service to communities. Indirect service means that VISTAs are involved with various aspects of programs, planning, and organizational development with the overall goal of helping institutions attack poverty. In fact, capacity building is listed as one of the core principles of the VISTA program. An intermediary organization of some type could apply for an AmeriCorps VISTA who could develop programming to address a variety of capacity building needs in the region.

Intermediary Agencies: AmeriCorps VISTAs are currently active in both states. Ohio currently has 270 AmeriCorps VISTAs operating across 31 projects. West Virginia has 134 VISTAs working on 9 different projects. However, these VISTAs for the most part are working with single organizations or projects. One approach would be to encourage nonprofit agencies to apply for their own VISTAs, who would provide a great deal of technical assistance. The application process is lengthy and perceived as difficult, which may dissuade some from attempting to apply for this federal resource. An alternative would be to have an intermediary agency (again, several possibilities may be found in the Regional Profile section) apply for an AmeriCorps VISTA who could then work with multiple agencies to improve their capacity. While the VISTA member must focus on capacity building work that impacts poverty related programs, if they are developing resources, expanding community partnerships, and coordinating training it may impact the entire nonprofit community in the region. The key would be letting agencies know that these resources are available for their use.

Indiana's Office of Faith Based and Community Initiatives has utilized AmeriCorps VISTA members in this way. The Office coordinates the AmeriCorps state programs, including the VISTAs. It has placed VISTAs in nonprofit agencies with poverty related programming to develop capacity. It has also utilized VISTAs in its own office to develop training and resources for the nonprofit community as a whole to utilize. For example, a series of seven pamphlets entitled the Non-profit Resource Toolkit was developed by an AmeriCorps VISTA member. These pamphlets are now available online and through the Office of Faith Based and Community Initiatives. They cover various topics related to organizational effectiveness, such as forming nonprofits, boards and governance, financial management, resource development, grant writing, and program development.

Ohio Campus Compact: An alternative to housing an AmeriCorps VISTA in an intermediary agency would be to work with Ohio Campus Compact. Ohio Campus Compact (OCC) has one of the larger AmeriCorps VISTA programs in Ohio. OCC places AmeriCorps VISTAs on college campuses across the state. VISTA members on these campuses focus on developing the ability of the college campus to work with the community on various activities related to poverty alleviation. In addition to the benefits of service through the federal AmeriCorps VISTA program, campuses that receive VISTAs through the OCC program must provide room and board as well as office space for the VISTA.

One potential benefit of this approach would be that the VISTA could be the point person for student service learning projects that develop capacity for nonprofits, or assist in coordinating a student intern program (both recommendations listed above). Another potential benefit to this approach might be the possibility of this being a regional resource as opposed to one that is bound by state lines. Though the OCC program serves Ohio campuses, student volunteers and service projects are not necessarily confined to Ohio (Ohio University's pilot capacity building program with MPA students this year assigned students to organizations which were all based in West Virginia, for example). The key would be that the VISTA would have to regularly involve the college students in capacity building work in order to serve the needs of both the higher education institution that is sponsoring the VISTA, as well as the nonprofit community.

There are two potential obstacles to utilizing OCC's program as an intermediary. The first is that OCC receives a limited number of VISTA positions to place on campuses of their member institutions. They already utilize a competitive application process in order to select which campuses will receive a VISTA. There would have to be a clearly developed connection made in this application process between the work of the VISTA and the college students in order for it to be viable. Also, these campuses often already have a VISTA working on other projects. While it is possible for a campus to receive more than one VISTA, it may be a challenge to convince the administration of the educational institution that a second VISTA might be necessary. The second obstacle is related—host campuses must provide room and board as well as office space and office resources (such as copying, computer access, etc.) for their VISTAs. In other words, there are expenses associated with housing a VISTA. These campuses may need to seek outside funding to cover these expenses, particularly if these VISTAs are functioning in an intermediary role and are out working with varied community agencies.

CREATE A REGIONAL CAPACITY-BUILDING OFFICE

Many of the above recommendations would require some type of administrative structure to support the initiative. These could potentially take place within the context of one or more current organizations. For example, when the Ohio Governor's Office of Faith-Based and Community Initiatives received grant monies to promote capacity building efforts in the state, they contracted with four regional agencies (one being the Corporation for Ohio Appalachian Development) in order to deliver the technical assistance, conduct workshops, and administer their mini-grant program. A similar model might be feasible where some of the above recommendations could be overseen by existing organizations described in the Regional Profile section with monies from one or more funders at the local, regional, or national level. Funds for these recommendations would have to include monies to defray the additional administrative duties added to the current functions of the organization. This would be an addition to the other work being carried out by the organization, and would require that the

organization either have the resources in terms of staff or volunteers to monitor and manage the program or that the organization seek funding to hire additional personnel. There are in fact several organizations discussed previously that have the know-how and perhaps even desire to do some of these things, but lack the resources to take on significant portions of the recommendations.

Another model would be the creation of a regional capacity building office. This office may have an affiliation of some kind with an existing entity, but would exist solely for the purpose of managing and implementing capacity building programming. This model would be similar to the Nonprofit Alliance at Kellogg Community College. The Nonprofit Alliance (NPA) was started in 1994 to provide management support services for the nonprofit community in Calhoun County, Michigan. It was a merger of the technical assistance arms of three larger organizations—the United Way of Greater Battle Creek, the Battle Creek Community Foundation, and Kellogg Community College. A single entity to provide technical assistance, consulting, consultant vetting, organizational assessments, training, and much more was developed. In addition to providing direct technical assistance, consulting, and training, the NPA also administers the local capacity pooled fund described previously. The NPA has three full-time staff members, including its executive director. Kellogg Community College serves as the fiscal entity for the organization, provides office space, and handles some of the human resources functions for NPA employees. The College President is very supportive of the program and is actively involved in the community. However, the NPA is a community based, external program and receives its operating funds from services provided, membership dues, and contributions from a variety of supporting partners, such as the Kellogg Foundation, the Battle Creek Community Foundation, the Miller Foundation, and the United Way of Greater Battle Creek. At this point the vast majority of the operating budget still comes from the supporting partners rather than fees for service or membership dues.

A regional office could provide the organizational structure to make many of the above recommendations a reality. This would naturally be one of the more costly recommendations, and would require an extensive commitment by the funders in the area in order to get such a program off the ground. However, the benefits would be extensive. A regional office such as this could be the “one-stop shop” that so many study participants said would be valuable. Many said that they wished they could just “pick up the phone and ask.” While many organizations serving the region do have a wide variety of resources readily available online, few have the staffing capability to have someone devoted exclusively to fielding such inquiries and provide one-on-one technical assistance. In addition to fielding individual questions, this office could serve a variety of functions, such as providing region-wide training, deliver specialized training for a subset of the nonprofit community or specific organizations, administer a pooled fund (if one existed), develop and maintain an online resource guide and links to best practices in all aspects of organizational effectiveness, provide back office support services at a low cost to organizations, facilitate organizational assessments, house region-wide consultants in information technology or financial management, and assist in the placement of student interns or service learning groups; in short, deliver the majority of the above recommendations.

The NPA is a membership organization, though they do work with all nonprofits. Membership provides benefits, such as up to eight hours annually of free technical assistance, as well as discounts on NPA sponsored training. This could be modeled in this area, though committing to another membership organization may be a disincentive to some individuals

or organizations, who are often members of a number of organizations themselves. At this time West Virginia has no state-wide nonprofit association, so membership may be more appealing to organizations located there.

Another possibility that might prove to be more cost effective would be to combine assistance to nonprofit organizations through a regional office with entrepreneurship development. Economic development is a critical need in all of the communities studied, so programming that enhances entrepreneurial activity would be very beneficial. Since many of the needs related to organizational effectiveness for nonprofits are also issue areas in the for-profit sector — such as human resources, strategic planning, budgeting — it would be a logical fit to have a joint office that could address the capacity needs of nonprofits and the entrepreneurial challenges of small for-profits. Differences between the two sectors and their organizational needs certainly exist, but the similarities are such that such an office could be very beneficial and more feasible.

To make such an office a reality, it would be logical and appropriate to look beyond local funders. Approaching organizations that fund projects nation-wide would likely be necessary. The Kellogg Foundation has a history of supporting capacity building initiatives; in fact, it is one of the supporting partners for the Nonprofit Alliance mentioned as a model program. This is, naturally, a lofty suggestion, but one that has rich potential.



CONCLUSION

The study found that the primary challenge facing nonprofits in the region is funding, particularly in how to obtain resources. The types of assistance requested also revolved around funding and financial resources.

There is a large variety of potential approaches to addressing the nonprofit organizational capacity needs of the Mid-Ohio Valley. There are two common elements among all of these recommendations. The first is a need to find an individual or agency that has the willingness, resources, and organizational mission to administer the recommendation. The second, and related, element is the need to fund the recommendations themselves. Very few, unfortunately, do not require some sort of resource commitment. These resources may come from the funding community in the region. We would also highly recommend that interested parties from all sides of this issue — funders, nonprofits, consultants, management support organizations, researchers and academic institutions, and nonprofit associations — be convened to discuss the solutions and develop ideas for how best to fund them. Such a group may even be able to pursue resources on a national level to support the region and its hope to support its nonprofit community.

A final important consideration for the success of any of the above recommendations is marketing. The Regional Profile portion of the report demonstrates that there are resources available that may not be fully utilized. The challenge becomes making sure that the organizations who need assistance know where to turn to in order to find it.



APPENDIX A

SAMPLE AND SURVEY PROCEDURES

The study examined targeted at public charities and nonprofit agencies throughout an eleven county region covering portions of southeastern Ohio (Athens, Meigs, and Washington counties) and west central West Virginia (Calhoun, Jackson, Pleasants, Ritchie, Roane, Tyler, Wirt, and Wood counties). These counties were selected because they represent the geographic area served by the Sisters of St. Joseph Charitable Fund, the financial sponsors of the project.

The study took place in three phases. During the quantitative phase, we collected survey data from a large number of organizations within our targeted geographic area. The second phase consisted of a more qualitative approach using focus groups. In the final phase the primary researcher engaged in a series of site visits to other localities engaging in significant capacity building efforts in order to examine appropriate recommendations for growth.

QUANTITATIVE PHASE

This first phase of the project began in the summer of 2008 with the assembly of our original population of target organizations. The instrument, entitled Nonprofit Capacity Assessment, was utilized with permission by Dr. Kirsten Gronberg of The Center on Philanthropy at Indiana University. The Center of Philanthropy at Indiana University conducted a similar study in 2004 (report published in 2007) and is currently embarking on a study of capacity among arts related organizations in the area using this instrument. The Nonprofit Capacity Assessment has a target completion time of twenty minutes and includes four different sections.

Participants

The original research population included all 1,519 nonprofit 501(c)(3) organizations in these counties who had submitted 990 forms to the IRS. The removal of duplicate organizations and those no longer in existence brought the potential pool down to 1,149 agencies. Due

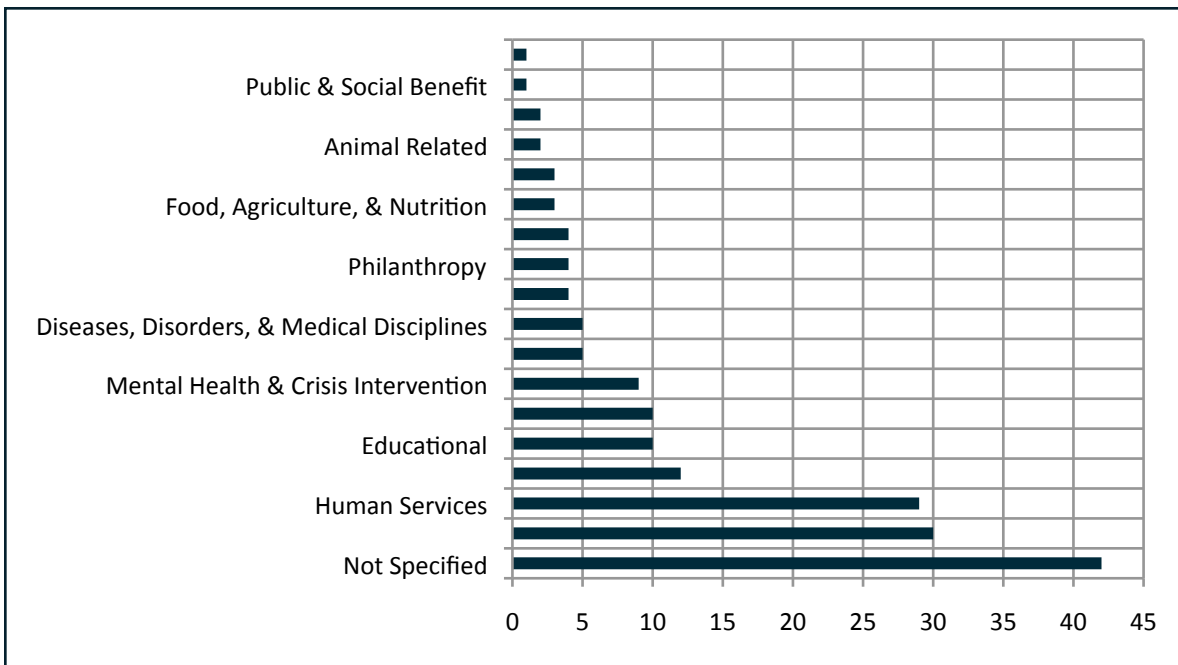


Figure 12-Organizational Types

to the large number of organizations, it was decided to utilize a stratified random sample rather than the entire population of 501(c)(3) organizations included in the original pool. As a result, twelve categories of organizations were eliminated from the pool of potential respondents. Those twelve categories included alumni associations, booster organizations, churches, educational institutions, foundations, Greek organizations and collegiate honor societies, hospitals, parent/teacher organizations, scholarship funds, sports leagues, trusts funds, and volunteer fire departments. These eliminations allowed the study to focus on examining nonprofit organizations that generally provide programming services and also have an operating base of employees, volunteers, and workspace. The result was a stratified sample of 567 organizations in the eleven counties.

Organizations were sorted by their mission and types of programs they reported. These organizations were coded using the National Taxonomy of Exempt Entities (NTEE) Classification System. Our survey respondents included 30 Arts, Culture, & Humanities organizations, 10 Educational organizations, 5 Environmental organizations, 2 Animal Related organizations, 4 Health Care organizations, 9 Mental Health & Crisis Intervention organizations, 12 Youth Development organizations, 29 Human Services organizations, 10 Community Improvement & Capacity Building organizations, 4 Philanthropy, Voluntarism, & Grant Making organizations, 1 Public & Societal Benefit organization, 1 Mutual & Membership Benefit organization, 5 Diseases, Disorders & Medical Disciplines organizations, 1 Crime & Legal

Related organization, 2 Employment related organizations, 3 Food, Agriculture & Nutrition organization, 4 Housing & Shelter organizations, and 3 Recreation & Sports organizations. The above mentioned organizations do not include those who did not report a mission or types of programs offered. Majority of the organizations were Arts, Culture & Humanities related or Human Services related organizations.

Procedure

The survey was administered in both a web-based format through Survey Monkey and a paper based format. After an extensive update of contact information from the 990 forms, e-mail invitations to participate in the online survey were sent to all those who had valid e-mail addresses. Two reminder e-mails were sent as a follow-up, spaced approximately 3 weeks apart. Paper copies of the instrument were mailed to all organizations that did not respond to the e-mail requests or for which we could not locate a valid e-mail addresses and/or website. At least one phone call reminder was made to encourage all non-responders to participate. Lastly, we sent another round of paper copies of the survey to anyone who had not yet participated in the study.

In order to improve our overall response rate in the quantitative portion, three incentives were offered. Participants will receive a digital copy of the final report. In addition, organizations were encouraged to request an individualized report comparing their responses to the overall sample. Two respondents were randomly selected to receive their choice of a 1-year subscription to either the *Chronicle of Philanthropy* or the *GrantStation Insider* (an \$89 value). In addition to these incentives, participants were assured full confidentiality and were assured that the McDonough Center for Leadership and Business at Marietta College had sole responsibility for the survey, and that no one outside of the research team would have access to any responses or raw data, and that participating organizations would never be identified by name.

Overall, all organizations targeted for this study were contacted at least twice for the purpose of this study; any organization for which we had an e-mail address was contacted no less than 3 times. In addition, after collecting all of our responses, we found that many organizations had left significant portions of 2 of our open-ended questions blank. Each organization that left those questions blank was contacted at least once via phone or e-mail to allow a member to add any additional information.

A total of 176 organizations participated in the quantitative phase of the study, for a response rate of 31%. Of these, 146 respondents utilized the web-based format, while only 30 paper-based responses were returned out of a total of 400 paper copies distributed.

FOCUS GROUPS

Three separate focus groups were conducted in the second phase of the project. One focus group was directed at local funders. The remaining two targeted nonprofit and charitable organizations in the region.

Funders Focus Group

The first was a meeting of several of the funders that operate in the region. This focus group took place at Marietta College in February, 2009. In total, representatives from 6 funding agencies attended. In addition, 2 representatives from Ohio University's newly launched Regional Nonprofit Alliance attended, as well as 2 representatives from Marietta College.

This focus group sought to determine what common understandings the group had about what capacity building is, and to find out what type of capacity building projects the represented organizations had funded. Other key questions examined what the funders had

observed about effective efforts to build organizational capacity among agencies they have worked with-and what had been ineffective.

Organization Focus Groups

The second and third focus groups were designed to delve deeper into issues raised during the quantitative portion of the study. All organizations that received the instrument were invited to attend one of three sessions, regardless of whether or not they had completed the questionnaire.

Ohio University conducted a series of listening sessions, or focus groups, in the area as part of the start up of their new Regional Nonprofit Alliance. Similar questions about capacity building and types of assistance were asked in those listening sessions. As a result, it was determined that rather than attempt to reconvene the same organizations to ask similar questions, the focus group data collected by Ohio University would be compiled with focus groups held in the spring of 2009 in West Virginia. Two of the three sessions were held; the third was cancelled due to low attendance. The session at West Virginia University at Parkersburg had seven attendees out of nine registered participants. The session held in Harrisville, West Virginia, had four total participants.

The participants were asked to talk again about what they felt the most pressing capacity building needs in the region were-whether or not it was relevant to their specific organization. They were also asked to discuss what specific types of assistance they would like to see offered, regardless of whether it would directly benefit their agency or not. The agencies were also asked about their perceptions of the adequacy and quality of the capacity building “industry” in the region.

Participants at the focus groups were offered a modest \$25 stipend to reward their participation. Each focus group lasted for 90 minutes.

Best Practices Site Visits

A critical element of the study is to develop a list of potential recommendations that will attempt to enhance capacity building efforts in the region. Several communities were targeted as potential models. A total of four visits were arranged, including the Lansing and Battle Creek areas in Michigan; Indianapolis, Indiana; Orlando, Florida; and Pittsburgh, Pennsylvania.

In each location several organizations were visited, for an overall total of 14 separate interviews. These organizations included funders supporting capacity building efforts, management support organizations who engage in the delivery of capacity building services, and organizations that have effectively employed capacity building strategies to improve their organizational health.

APPENDIX B

NONPROFIT LEADERSHIP WORKSHOP SERIES

The workshop series described below was developed as a proposal after a series of meetings between members of the Voinovich School at Ohio University and West Virginia University at Parkersburg's Community and Workforce Education program.

This series of workshops focuses on the practical skills and tools necessary for effective nonprofit leadership. Each course will be taught by an experienced professional and will combine traditional instruction with interactive discussion and /or exercises. For participants interested in learning more, an opportunity will be provided to ask agency-specific questions and recommendations will be made for books and other resources for continued study.

Week 1: Leadership, Governance and Board Management

Strong nonprofit leaders use a variety of skills to affect positive change within organizations and communities. This introductory session will begin with an examination of the range of skills necessary for nonprofit leadership and conclude with a more focused discussion on the effective selection, development and involvement of board members.

Week 2: Strategic Planning

An effective strategic plan focuses an organization's energy on key goals while leaving room to respond to new opportunities or concerns as they arise. This workshop will provide participants with tools to identify appropriate strategic goals and reorient staff, volunteers, and board members to work towards their successful achievement. Rather than creating a detailed plan that sits on the shelf, this model results in a concise guide for day-to-day decision-making that can be utilized by all members of the organization.

Week 3: Financial Statements, Budgeting and Control Systems

Although traditionally more focused on mission-fulfillment than on the financial "bottom line," nonprofit leaders are increasingly expected to skillfully manage their organization's financial resources. This session provides participants with the skills necessary to analyze basic financial statements, manage the budgeting process and establish the financial control systems necessary to guard against misuse of funds.

Week 4: Nonprofits and the Law

Most laws are designed to protect individual rights and personal safety. In addition to an overview of relevant nonprofit law, this workshop will provide participants with guidance on how to develop protocols that protect employees, clients, and the organization from situations that could result in personal harm as well as costly legal action.

Week 5: Volunteer Recruitment, Management and Recognition

Although organizations need help and people want to volunteer, making the connection

between the two is not always easy. This session will provide practical tips for engaging the interest of potential volunteers, providing them with the training they need without overwhelming existing staff, and making them feel valued enough that they keep coming back year after year.

Additional courses that could be added or substituted for those listed above include:

Advocacy and Lobbying

Nonprofit leaders often have a unique perspective on social issues and can provide a critical role in political decision-making. However, many wonder about their ability to actually make a difference or fear they will endanger their organization by breaking the rules regarding nonprofit lobbying. This workshop provides clear guidelines regarding what nonprofit leaders can and can't do to influence the political process and discusses a variety of advocacy tools appropriate for a range of organizations regardless of size, budget or mission.

Measuring and Communicating Community Impact

Nonprofit organizations are increasingly being asked by funders to measure their community impact. In addition to providing a basic grounding in outcome measurement, this session will explore strategies for using this information to educate employees, clients, legislators and the general public about what is going well (and not so well) in our efforts to make a difference in our local community.

Conflict Resolution and Negotiations

Conflict is a part of life, and every nonprofit leader is forced to deal with it at times – employees have personality conflicts, agencies have turf disputes, funders request programmatic changes midstream. This workshop offers participants proven strategies for analyzing and working through these conflicts as well as an opportunity to practice new conflict resolution and negotiation skills in a risk-free environment.

APPENDIX C

AVERAGE CHALLENGE LEVELS PER DIMENSION

The figures below show the breakdown of challenge scores for each individual indicator in all seven dimensions.

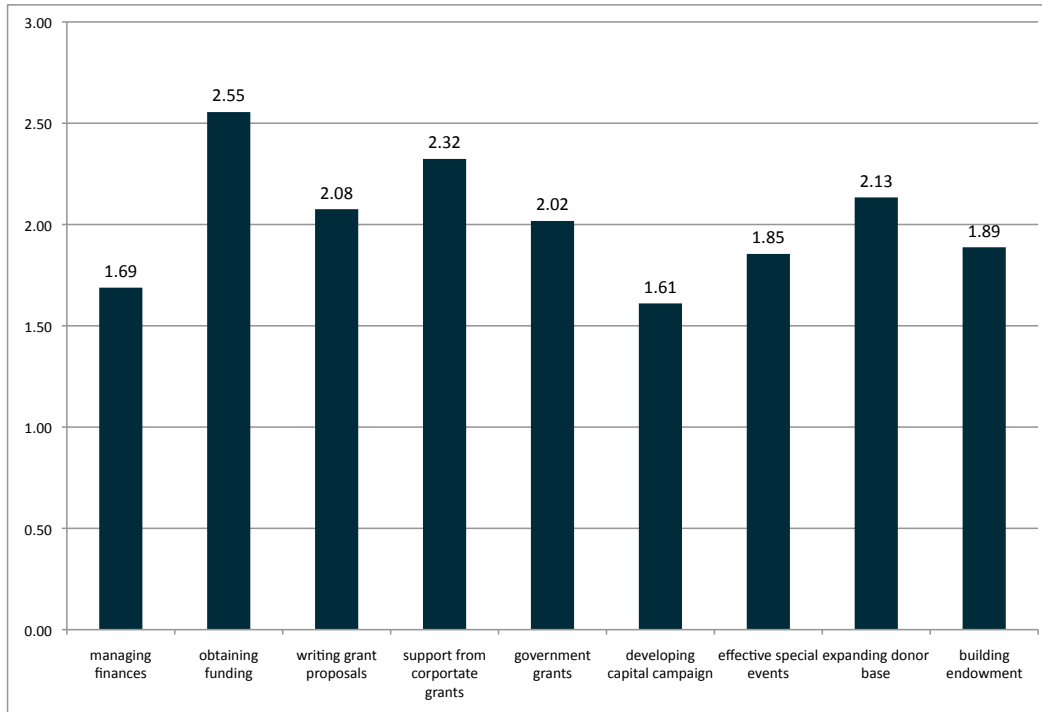


Figure 13-Financial Resources: Average Challenge Scores

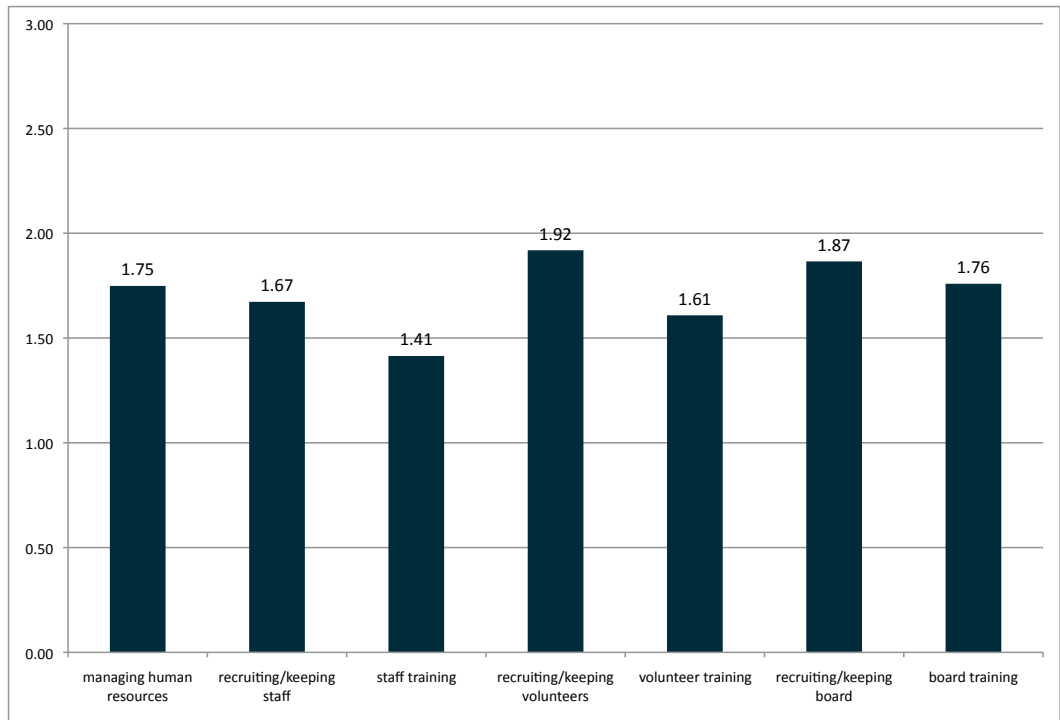


Figure 14-Human Resources: Average Challenge Scores

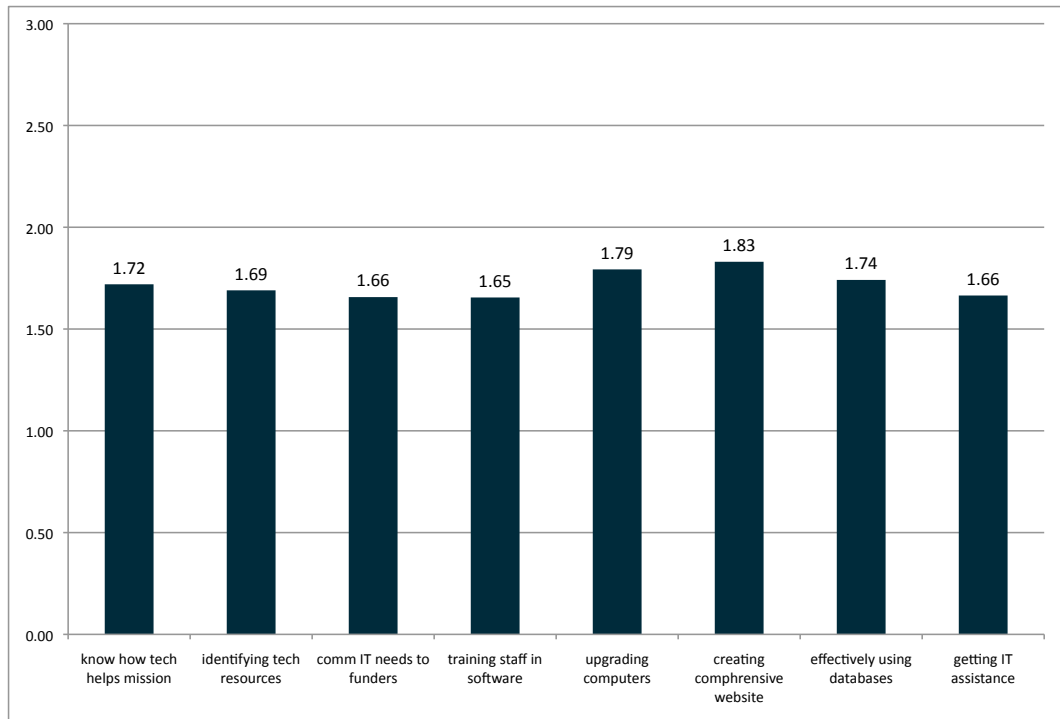


Figure 15-Information Technology: Average Challenge Score

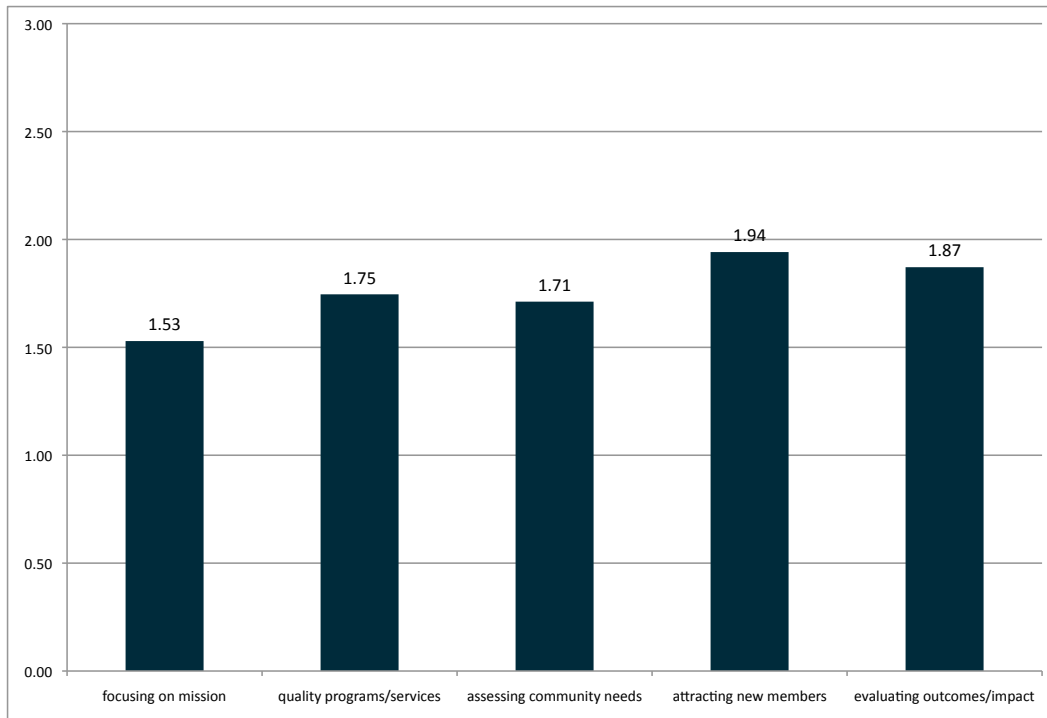


Figure 18- Programs and Planning: Average Challenge Scores

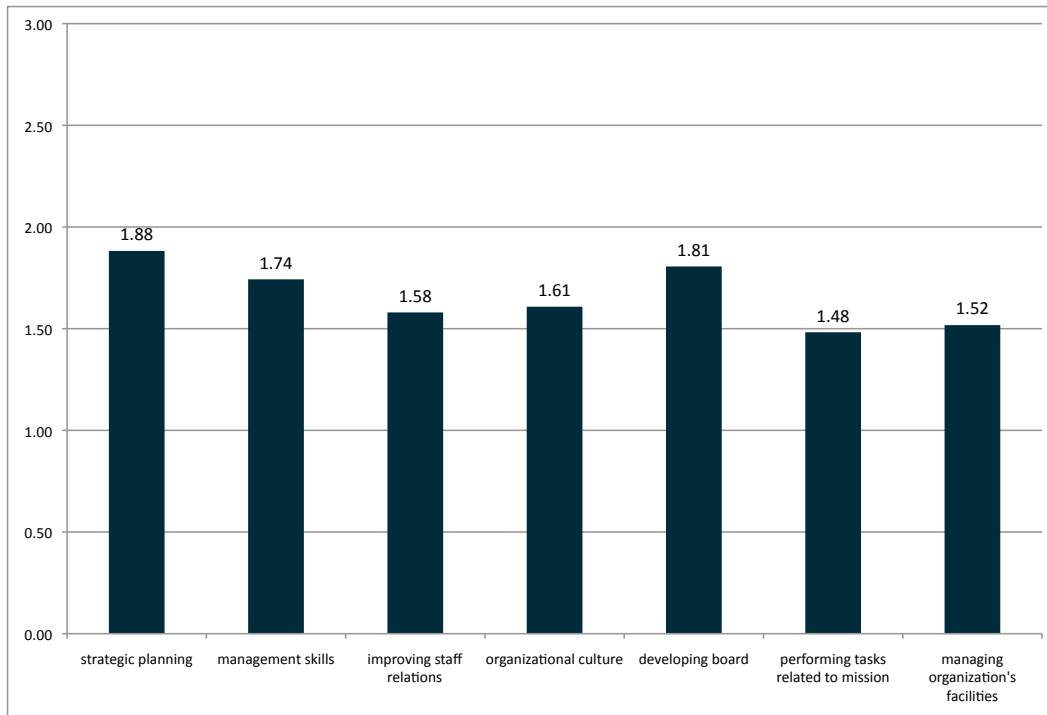


Figure 19-Operations and Governance: Average Challenge Scores

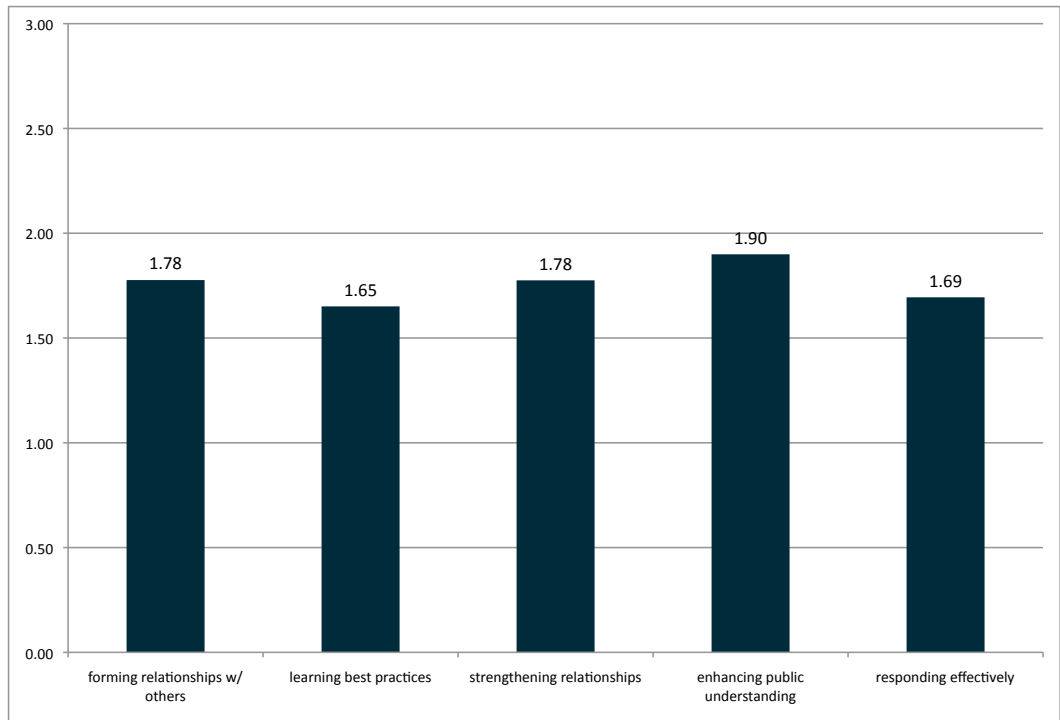


Figure 16-Networking and Advocacy: Average Challenge Scores

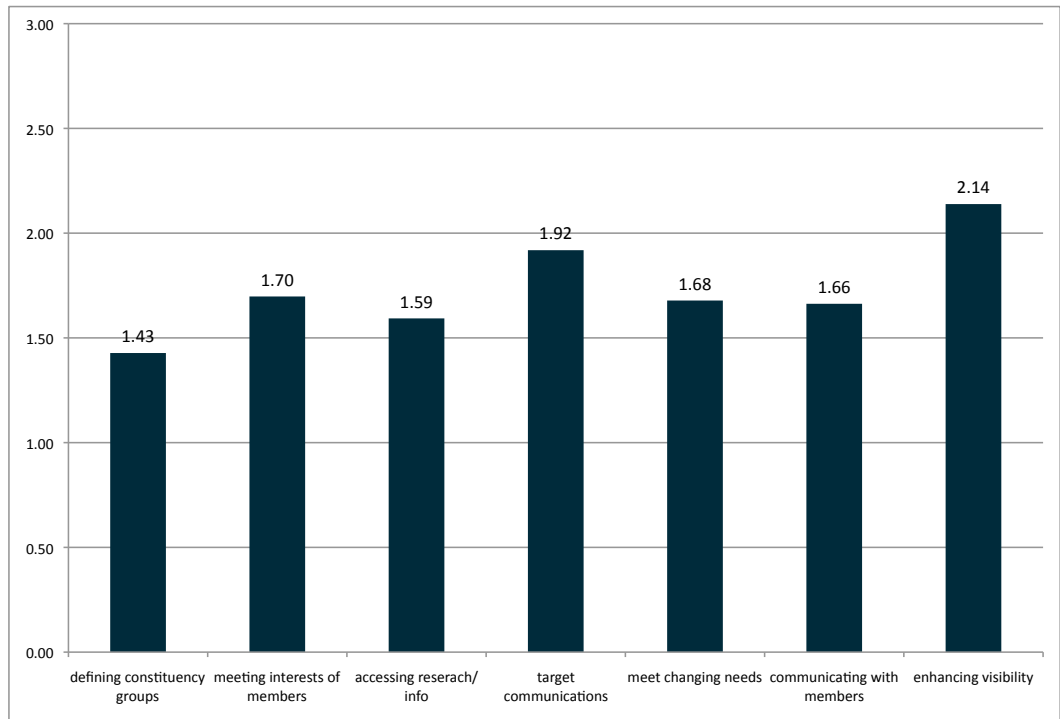


Figure 17-Marketing: Average Challenge Scores

APPENDIX D

MOST PERVASIVE OVERALL CHALLENGES

The figure below includes the top ten most pervasive capacity building challenges across all seven dimensions included in the closed-ended portion of the study. The top ten was identified based on the percentage of respondents who saw the indicator as a major concern.

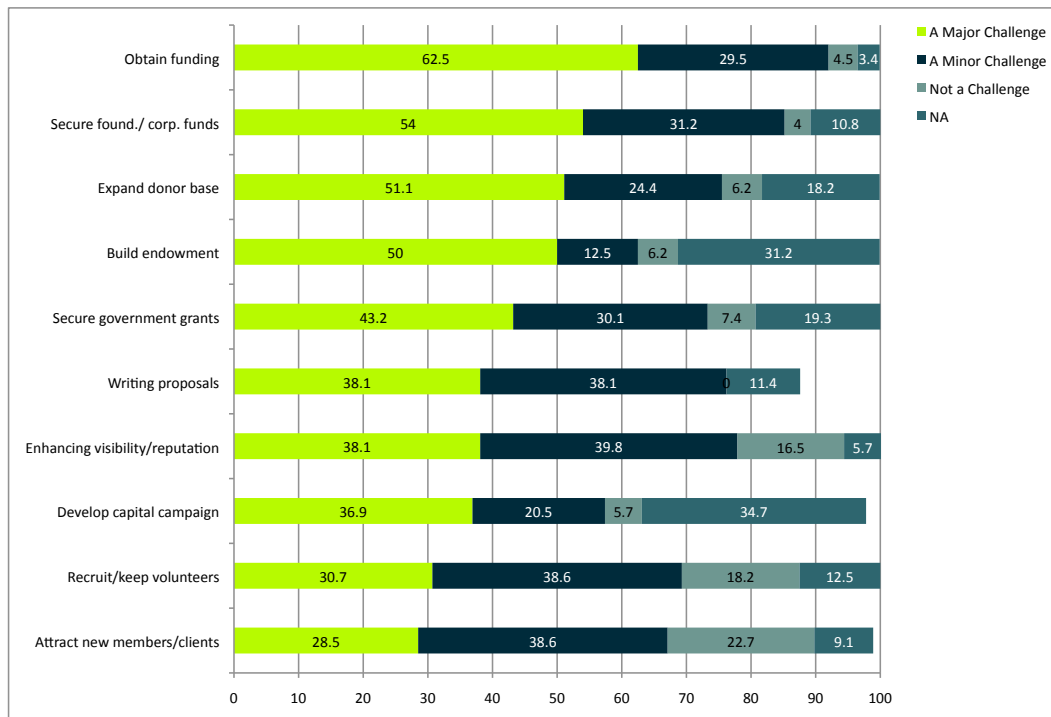
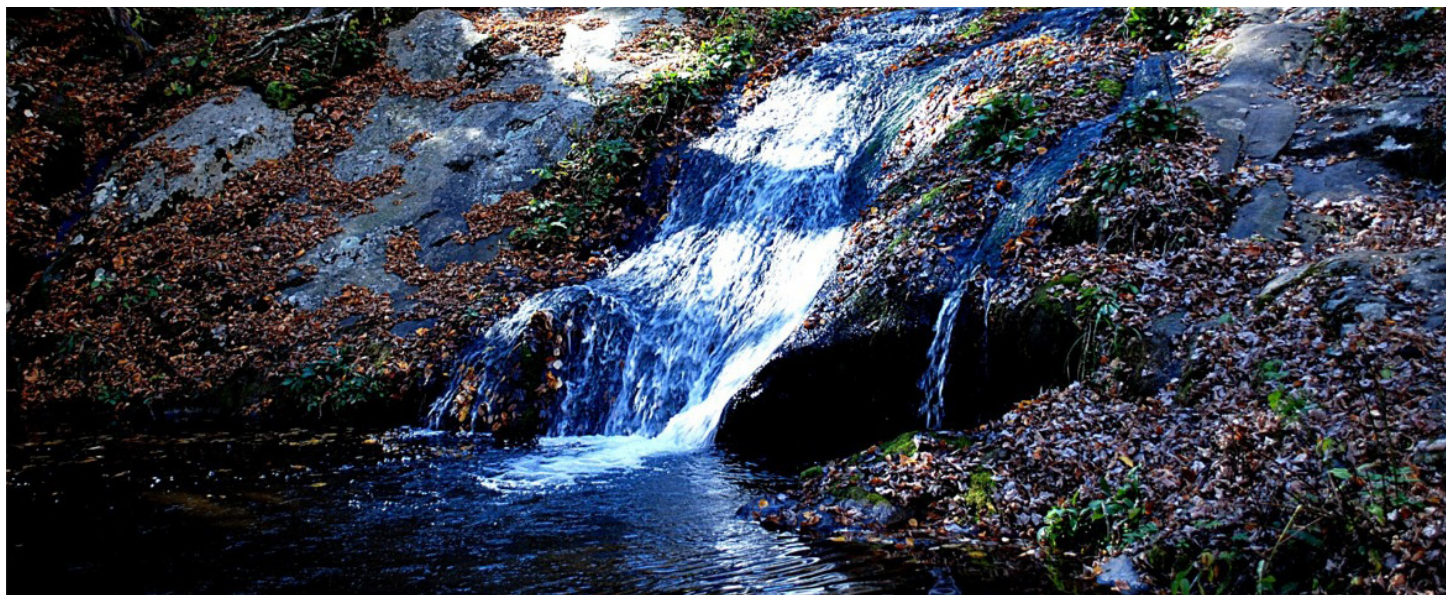


Figure 20-Top 10 Most Pervasive Capacity Building Challenges



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NOTES



ABOUT THE AUTHOR:

A native of Florida, **Dr. Tanya Judd Pucella** holds her doctorate from the College of Health and Public Affairs at the University of Central Florida. Her dissertation focused on the impact of certification by the National Board for Professional Teaching Standards on burnout levels in teachers. In addition, Dr. Judd Pucella has earned a master's degree in social science education and a bachelor's degree in history from the University of Florida. For ten years she taught in the public school system in Orlando, Florida. She also served as a member of the administrative team of her school, with the responsibility of providing professional development experiences for a faculty of nearly two hundred. Aside from teaching, Dr. Judd Pucella also has worked as a trainer with the National Board for Professional Teaching Standards and has helped begin a program to support teachers going through the National Board certification process in Orange County. While managing service-learning and community-service opportunities for McDonough Scholars as the Director of Civic Engagement, Dr. Judd Pucella teaches courses within the action component in the McDonough Leadership Program.



Marietta College

McDonough Center for Leadership and Business
215 Fifth Street
Marietta, OH 45750
740.376.4760
Email: lead@marietta.edu
<http://mcdonough.marietta.edu>

