Participants:
Tony Martignetti
Sharon Stapel
Melkis Alvarez-Baez

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Tony Martignetti:
[00:00:00] Hello, and welcome to Tony Martignetti Nonprofit Radio, big nonprofit ideas for the other 95 percent. I'm your aptly named host. Oh, I'm glad you're with me. I'd suffer the embarrassment of yaws if you rubbed me the wrong way with the idea that you missed today's show, 8 areas of nonprofit excellence. The Nonprofit Coordinating Committee Excellence awards are based on tough criteria that reveal the right way to run your organization in areas like fundraising, management, board, financial, and diversity. Sharon Staple, president and executive director, and Melkis Alvarez-Baez, deputy director, explain the recommended standards. They've been upgraded since we covered this on March 6, 2015. On Tony's Take Two, more NTC videos. We're sponsored Pursuant, full service fundraising, data driven and technology enabled. You'll raise more money. Pursuant.com. And by We B-E-E Spelling, super cool spelling bee fundraisers. Webeespelling.com. Welcome back to the show Melkis Alvarez-Baez. She's been with the Nonprofit Coordinating Committee since 2011 and oversees their programs and member services. Melkis is @NPCCNY_DDIR, deputy director, and NPCC is at NPCCNY.org. Melkis, welcome back.

Melkis Alvarez-Baez:
Thanks so much for having me back, Tony.

Tony Martignetti:
Good to have you. Pleasure. Sharon Stapel. She's the president and executive director of Nonprofit Coordinating Committee. She was named a White House champion of change as executive director the New York City Gay and Lesbian antiviolence project. **[00:02:00]** She joined the Nonprofit Coordinating Committee in October of 2015, and she's @NPCCNY_PREZ. Welcome, Sharon.

Sharon Stapel:
Thanks for having us.

Tony Martignetti:
It's a pleasure. Pleasure to have both of you. Melkis, you got a promotion since you were here last time. You were deputy then. You were deputy director of programs.

Melkis Alvarez-Baez:

I was director of programs.

Tony Martignetti:
Director of programs. Now you're deputy director—

Melkis Alvarez-Baez:
I sure am.

Tony Martignetti:
The whole thing. All right, cool. Congratulations.

Melkis Alvarez-Baez:
Thank you.

Tony Martignetti:
We're talking about these 8 key areas of nonprofit excellence, and I know that these are criterion for competition. Sharon, why don't you acquaint us with the competition and how these 8 areas fit in?

Sharon Stapel:
Well, I think it's important to understand who and what NPCC is, and why we care about nonprofit excellence. NPCC is a membership organization of 1,400 nonprofits in New York City and the New York area, and we are really the voice and information source for nonprofits. One of the ways that we think nonprofits need to get information or the things we think they need to know about is nonprofit excellence and management excellence, because we think that for nonprofits to be able to really get to their mission and be able to focus on the thing that they were created to do, they want to be managed and manage themselves as efficiently and effective as possible. So, the Nonprofit Excellence awards is really a formal way for us to teach people about nonprofit excellence and to really recognize and celebrate that excellence in the sector. Melkis, having been a part of not just NPCC for five years, but also the Nonprofit Excellence awards, is probably our best guide through the history of the program.

Tony Martignetti:
[00:04:00] All right. It's already anarchy. I asked you, but you're going to defer to Melkis. Okay. That's fine. Okay, take over.

Sharon Stapel:
We just want to make sure you have the best person talking about the subject.

Tony Martignetti:
Exactly, thank you. Go ahead, Melkis. Please

Melkis Alvarez-Baez:

So, the 8 key areas are really the driver of our New York Community Trust Nonprofit Excellence awards program. The awards are a program that NPCC created and manages. We created the program in 2006. So, this is our milestone 10th anniversary, and it's an exciting year for us. The awards are really an opportunity for nonprofits to learn from other nonprofits. We really go beyond honoring excellence, and the awards program are truly an educational expert for the organizations that go through it, but also for the other nonprofits in the sector that are able to benefit from the best practices that we highlight throughout the process.

Tony Martignetti:
Okay. The awards ceremony is coming up. It's Friday, December 2nd, right?

Melkis Alvarez-Baez:
Mm-hmm. That's right.

Tony Martignetti:
Okay. That's the same day Nonprofit Radio airs every week. So, you may have—

Melkis Alvarez-Baez:
Stiff competition.

Tony Martignetti:
You may suffer attendance trouble in the New York City area. Okay. I'm going to tick through the 8 areas so that everybody knows what we're going to be talking about for the next hour. Then, we'll cover a little bit more about why these are bona fide before we actually get into them. So, number one is overall manage focus on results and impact. Then, governance structure moves the organization forward. Financial management is strong, transparent, and accountable. Organization is diverse and inclusive. Number five is human resources are valued and developed. Number six, use of information technology systems improves efficiency and advances mission. Communications are strategic, effective, and build brand. **[00:06:00]** The final area, fundraising and resource development are strategic, donor-centered, and effective. Okay. Melkis, let's stay with you. How do we know that these recommendations, these criteria, are bona fide? This is not just something NPCC decided and foisted on the community. What's the process to get to these 8 areas?

Melkis Alvarez-Baez:
When we were creating the awards program 10 years ago, we looked at what other state associations of nonprofits were doing, and we looked at the other state associations, in particular, that had standards of excellence programs. There's about 23 of them now. They in total represent about 20,000 nonprofits across the country. We looked at what they thought matters for nonprofit success. We picked the areas where there was consensus, but also balanced that out with areas that we know are important in the New York City area. For example, diversity and inclusion is an area that appears throughout the country as part of their standards. For us, it's a discrete

section in our guiding 8 areas as we feel that it's an important topic and management area that organizations in our area need to be focused on and managed towards.

Tony Martignetti:
Okay. So, 10 years ago, you crowdsourced the genesis of this.

Melkis Alvarez-Baez:
Yes.

Tony Martignetti:
Through all your sister organizations, all colleague organizations throughout the country.

Melkis Alvarez-Baez:
Right, and they're updated every year.

Tony Martignetti:
I was just going to get to that, yes. Sharon, these key areas have changed just since last year.

Sharon Stapel:
Well, the 8 key areas actually remain the same. What we did, really, was to try and make more clear for the nonprofits that were applying and make more accessible for everyone **[00:08:00]** who is interested in the 8 key areas what we meant by them, what are the standards for those areas, where do we think organizations should be aspirational and how can they be aspirational? And gave slightly more specific examples about what we meant in those 8 key areas. So, the overarching 8 areas are not changed, but the descriptions and hopefully accessibility of them are.

Tony Martignetti:
Okay. You were finding there was some misunderstandings about what some of the areas meant?

Sharon Stapel:
You know this, Tony, because you do this work, but a lot of management can feel amorphous sometimes, and what it means to be a good manager or manage a good organization or what it means to be effective or efficient. Sometimes, that's really hard to grasp, and I think I know as someone who has applied for the Nonprofit Excellence awards in my former organization, that sometimes the standards, it's helpful to have a little bit more clarity when you're not doing this every single day and when you're looking into the awards.

Tony Martignetti:
Greater specificity.

Sharon Stapel:
Yeah.

Tony Martignetti:
Okay, cool. We're going to go out for our first break. When we come back, the three of us will dive into these 8 key areas and get acquainted with them. Stay with us.

Tony Martignetti:
[00:10:00] Welcome back to big nonprofit ideas for the other 95 percent. Let's dive in, ladies. Sharon, let's stay with you. The first area, overall management focus on results and impact. You want to see a clear mission statement and articulated values. Say a little bit more about the values.

Sharon Stapel:
Well, I think it's important that organizations know not—well, what I think isn't actually that important, but what we know from the 8 key areas of nonprofit excellence is, clearly articulating a mission is critical. Of course, we need to know why we exist and what we're doing and why the nonprofit is in the world, but understanding the values that go along with that. What does the organization stand for? What does the organization want to be? What does the organization want to do around the way it treats its employees? The way it approaches the issue? The way it intersects or interacts with other organizations? Is just as critical as knowing that we want to end hunger, we want to end homelessness, we want to work with survivors of violence, whatever the mission is.

Tony Martignetti:
Now, you have for each subarea within the 8 areas, there's standards and then there's aspirational—standard and aspiration. Does an organization not do well in the judging if everything is standard and not very much is aspiration, has achieved aspiration?

Sharon Stapel:
I think there's two purposes for this program. One is, it's an educational opportunity. Any organization who's meeting all the standards is doing great work. Those are what we think are the foundations of **[00:12:00]** how folks should be using the 8 key areas of nonprofit excellence. Then, there's the actual competition of the awards. There we have a selection committee of experts who know these 8 key areas. They are looking for aspirational, replicable, innovative, and exciting practices when we're looking at overall nonprofit excellence in terms of the competition, the award.

Tony Martignetti:
Okay. Let's go into some more of the areas. We're going to get to the education component, because I know there's program for every one of these eight. This is not just judging, but there's a lot of training and help that goes along, boosting lots of nonprofits, whoever wants to participate in. Let's see.

Sharon Stapel:
Can I just say another thing about overall management, focus on results?

Tony Martignetti:
It's already anarchy. Yes, but I appreciate you're asking, anyway. Thank you for that.

Sharon Stapel:
Is it important to have a clear mission? Absolutely, but it's also important that we see organizations being able to measure, review, and most importantly, use data that points to organizational programmatic results. We also want to see that organizations are strategic planning and thinking in a forward way. So, when we're looking at the—I talk with my hands too much.

Tony Martignetti:
That's okay. If you bump the mic too much, it won't fall off.

Sharon Stapel:
We're looking at the overall area. We're looking for mission, we're looking for vision, but we also want to know, how do you know you're doing what you're supposed to be doing? How do you use the information? How do you think about your strategy given that information and how it relates to your mission? How do you plan in a way that allows for a learning environment and understanding that not all programs are perfect all the time, so you're going to learn the lessons. But also that you're able to see that you're moving toward the ultimate goal of your organization.

Tony Martignetti:
Okay. So, really, two things wrapped in what you were just saying. **[00:14:00]** Impact reporting, basically. We have to focus a little, I have to make it a little more concise, because we have 14 pages. I'm going to paraphrase. The impact reporting. Also, you want to see a vibrant, strategic planning process.

Sharon Stapel:
Yes, and the learning environment.

Tony Martignetti:
Learning from the results that you're reporting. Also, you want dissemination of the results. Is that a part of this? Did I read that somewhere else? You don't want to just keep the results internal. You want stakeholders to be seeing these.

Sharon Stapel:
Right, and I think here, we're focused on the way that you monitor or use the results, but certainly in the governance of the organization, for transparency, you want to see those results disseminated and communications strategies, you want to see. So, you'll see results because nonprofits are created for the social good and to meet their missions. We want to see results used in multiple different ways, but when we talk about overall management with the focus on results,

we're looking at how are you using the data that you have? Do you have data available? If so, how are you using that data?

Tony Martignetti:
I've got to be honest. As I was reading through these key areas—is it okay if I call them standards? Does that word bother you, if I call them standards or recommendations? Besides areas, give me another word that you're comfortable with so I don't offend the program.

Melkis Alvarez-Baez:
I would say that the 8 areas, and we call them that on purpose, is because they go beyond standards. One of the things to know—

Tony Martignetti:
That's true. They become aspirational. See, give me a word. Should I just keep areas?

Melkis Alvarez-Baez:
Yes. Please keep using areas.

Tony Martignetti:
Okay. I'll just keep using areas. All right, fine. So, as I was reading through the areas, I was thinking, this is sort of a test for Nonprofit Radio. How much of this stuff have we talked about? Because the mission of Nonprofit Radio is to help small and midsize nonprofits with all the areas that they are struggling with, that they face challenges every day. **[00:16:00]** This is testing the show against. I've got some shows to recommend. I haven't got a recommendation for every single area, although I bet we've hit every area, but I can't impact report that, specifically. So, if anyone wants to learn more about impact reporting, look for the guests Dr. Robert Penna, whose book is *The Nonprofit Outcomes Toolbox*, and he's been on a couple times. More recently, he was on talking at the history of nonprofits, going back to the 1600s in England. Before that, he was on talking about this book, *Nonprofit Outcomes Toolbox*. Ladies, let's move on. Melkis, you want to take area two? Governance structure. Moves the organization forward. Help me out with this. Define a board member as a strong fiduciary. What does that mean?

Melkis Alvarez-Baez:
Sure. What we mean by that is that board members are engaged in the oversight of the organization. Not just in the finances and making sure that they're engaged in the budgeting process and making sure that the finances are in order, but really that they're holding the organization accountable, promoting and ensuring transparency and accountability, and that they're also partnering effectively with the staff to really drive the organization forward and to support the mission of the organization.

Tony Martignetti:
Now, how do you tell that all these things are happened?

Melkis Alvarez-Baez:
Through examples that the organizations are highlighting throughout their applications. So, they give examples that really how not just that the practices exist, but that show real impact on the organization. It's not just enough to have a stellar board member show us what having that stellar board member on your board has meant for your organization. Have they been able to connect you to particular donors? **[00:18:00]** Or have they been able to help advocate for certain policy and change that impacts and influences the organization?

Tony Martignetti:
Okay. Then, for semifinalists, there's an interview. Is that right? Or there's on-site visits once we get to the semifinals?

Melkis Alvarez-Baez:
We're at 11 semifinalists now. We'll narrow those down to six finalists, and they'll have in-person meetings with our selection committee.

Tony Martignetti:
Okay. Is there an on-site component to it? Do you visit offices?

Melkis Alvarez-Baez:
We've reformatted that part of the process.

Tony Martignetti:
You used to, but you don't anymore?

Melkis Alvarez-Baez:
We don't anymore. They all come and meet with the selection committee at a neutral space, and it's great to see what different organizations do with the same space.

Tony Martignetti:
Okay. Cool, all right. No shame in that. I'm not shaming you or anything.

Melkis Alvarez-Baez:
Oh, we're not ashamed.

[crosstalk 18:44]

Sharon Stapel:
I think, Tony, since we're talking about the application process, one of the things that we've done this year in an effort to make the awards and the educational opportunity more accessible to people is, we created at the very beginning of the process a readiness assessment, which is basically a yes/no checklist, and it's an online assessment. You go online and you answer the questions, and we have a scale of scoring. On the higher end, it's like, you guys are doing great.

You should definitely consider applying for the Excellence awards. On the lower end, it's like, you may have some work to do before you want to actually think about applying, and we then link to resources in the 8 areas.

Then, if it's in the middle, we say to people, give us a call and we can talk to you about where you're at, because we know it's a big lift for organizations to apply for the Excellence awards. It's a multi-month process for them. The first round is four open-ended questions about how their management is viewed through those 8 areas. Then, the second round is an incredibly intense **[00:20:00]** application that examines each of the 8 areas carefully, and then you have to do, as you were saying, this in-person visit. It's very rigorous, and we don't want organizations wasting their resources applying if they're not going to be there, but we do want to give everyone the opportunity to assess their management practices through the 8 areas, because we think it's an excellent tool to get people to move in the direction of making management changes.

Tony Martignetti:
Sticking with the governance structure, the board has a give or get policy, and 100% board giving. Melkis, you want to emphasize the importance of that?

Melkis Alvarez-Baez:
Sure. I would say that's something that the selection committee is looking for across the board of all organizations, of all sizes and missions, is that there's 100% board giving. The idea behind that is that if your board members don't give, how can you convince other donors, other funders, to give? So, I think, and Sharon, you might be able to speak more of this as a leader of a nonprofit, but foundations are increasingly asking for that metric, that board members are giving. It doesn't matter what the amount is per se, but that they're giving something to again, show their commitment to the organization and to the mission.

Tony Martignetti:
Okay. Later on, when we get to fundraising, you ask for a personally significant, I think that's the phrase, personally significant gift.

Melkis Alvarez-Baez:
Mm-hmm.

Tony Martignetti:
Okay. We've had lots of people on talking about boards. The ones that come to mind are Michael Davidson. You can search his name at TonyMartignetti.com.

Sharon Stapel:
He's on our selection committee.

Tony Martignetti:
Michael Davidson's on your selection committee?

Melkis Alvarez-Baez:
Our most veteran one, has served since the beginning of the program.

Tony Martignetti:
Outstanding. All 10 years? Michael Davidson?

Melkis Alvarez-Baez:
All 10 years, yep.

Tony Martignetti:
He's been a guest on the show like three, four times or something.

Melkis Alvarez-Baez:
We're lucky to have him.

Tony Martignetti:
We both are. I agree. Also, for board fundraising specifically, **[00:22:00]** when you get to the board fundraising part, Gail Perry, whose book is *Fired Up Fundraising*. She talks a lot about board fundraising. She's been a guest, also. You can look for her in the history of the show. Okay. Oversight. Informed board provides oversight. You have an interesting aspiration here. The succession plan. So, it's aspirational, but it's not standard. That doesn't seem like it should be a standard thing, a succession plan?

Melkis Alvarez-Baez:
I think that many organizations think about succession planning as something that stops at the leadership of the organization. The aspiration here is that there should be a thoughtful succession plan in place for board leadership as well.

Tony Martignetti:
Okay. That's the aspirational part. The board evaluating its own performance. Say something about that.

Melkis Alvarez-Baez:
We've seen a range in terms of what this practice looks like. We've seen that some organizations will do individual assessments of board performance in terms of meeting attendance, fundraising, participation at events, site visits, and involvement in programs. But we've also seen organizations do a performance assessment of the entire board. So, instead of individual assessments, doing a group evaluation as well.

Tony Martignetti:
Okay. Your standard says that board member performance is individually assessed and reported back to the individual.

Melkis Alvarez-Baez:
Yes.

Tony Martignetti:
So, you really want to see that as a standard, the individual performance.

Melkis Alvarez-Baez:
We do.

Tony Martignetti:
And board performance also, board as a whole, performance also.

Melkis Alvarez-Baez:
We do, and the idea is that we're striving towards engaged board service, and having an evaluation process allows board members to know where they need to up their game and where they're doing great in terms of supporting the organization.

Tony Martignetti:
I like that you specifically say, and is reported back to the board member. **[00:24:00]** There's not a lot of value for the board member if his or her performance is evaluated and it's only discussed among the executive committee. What am I learning as a board member if I don't know where my shortcomings are? It's like, okay, we evaluated, but we're not going to share it with you. I don't mean to really do ping-pong, but it's turning out this way. Sharon, you want to area three? You comfortable with the financial management is strong, transparent, and accountable?

Sharon Stapel:
Absolutely. I think what we're looking for here, and this goes back to the idea that nonprofits are built for the public trust, that there's an obligation to be transparent and to build that trust with their donors. A part of that for a lot of donors is understanding, and frankly, a lot of constituents of the organization is to understand where the financials are at. So, we want to make sure that at a minimum, organizations are transparent about their financials, posting things like their 99Ds and their audit on their websites and making sure that those are easily accessible documents. We also want to make sure that internally, they're really regularly reviewing, what is their performance versus their goals? Not necessarily their performance versus what life looks like right now, which is I think what a lot of nonprofits end up doing. Did you want to say something?

Tony Martignetti:
No, no. I'm agreeing with you.

Sharon Stapel:
Yeah. I think this is really hard, especially when you have—

Tony Martignetti:
If I want to talk, I'll just interrupt you.

Sharon Stapel:
I think this is especially hard during times of economic uncertainty, and we may have in parts of our nonprofit sectors climbed out of the 2008 uncertainty, although there's still a lot of nonprofits, as we've seen in recent reports, that are teetering on the edge. We want to make sure that folks are being as intentional as they possibly can in times of crisis or near-crisis. So, that means having a plan that goes beyond the reactionary and is very proactive.

Tony Martignetti:
[00:26:00] Yeah. You talk about budgeting for surplus.

Sharon Stapel:
Exactly.

Tony Martignetti:
Actually, that's an aspiration. Budgets include a surplus.

Sharon Stapel:
Right. Then, also, we want to make sure that people are looking at their day-to-day sustainability, because a lot of times, financial analysis can often be done at a board level, at a quarterly level, on an annual basis. We want to make sure that the leaders of the nonprofit are looking at, what does this mean for your day-to-day? What do your cash flows look like? How profitable are your programs? Are you investing money in the right places? Are there places that as painful as it might be, you have to say, this isn't either profitable and profitable in the sense that the program can pay for itself. Or, it's not as related to our mission as it should be, and we need to think about the finances there.

Tony Martignetti:
You have a statement under standard. The organizations' chart of accounts is aligned with the organization and program budgets. What's a chart of accounts? Is that just an Excel spreadsheet?

Sharon Stapel:
Hopefully not. I suppose it can be in some very small—basically, it's the way that your accounting system categorizes the way that you spend money. For some organizations, they can be incredibly detailed. For other organizations, they can be less detailed. But basically, what the standard is, is you need to know where every dollar is going, and you need to know whether that dollar is going to the right area. If it's restricted program funding, it should be in your chart of accounts as restricted program funding. If it's unrestricted and you're using it for fundraising, then you should be able to tell how many dollars you're using for fundraising versus if you're using it for management or other purposes. Or maybe you're using your unrestricted dollars to

cover the costs of your programs because your funding sources cover the full cost, but you should know where each of those dollars is going. And you should be able to tell people about where each of those dollars is going.

Tony Martignetti:
Okay. We have just about a minute before we take another break. **[00:28:00]** I want to get back to something, if we can do this in a minute, Sharon, what you were just talking about earlier. The assessment, and not wasting nonprofit's time. It sounds like the assessment is something valuable. Is that available now, knowing that the awards in process?

Sharon Stapel:
Absolutely.

Tony Martignetti:
Where can we find that assessment?

Sharon Stapel:
You can find it on NPCCNY.org. Do you know the actual part of the website it's on?

Melkis Alvarez-Baez:
It's under the Nonprofit Excellence awards tab of our—

Tony Martignetti:
Okay, and it's called an assessment?

Sharon Stapel:
A readiness assessment.

Tony Martignetti:
Readiness assessment, okay. Because it sounded excellent.

Sharon Stapel:
I think it's such a huge resource for nonprofits, and they should take advantage of it all year round.

Tony Martignetti:
Irrespective of whether you're in New York and you can apply for these awards or not.

Sharon Stapel:
Exactly.

Tony Martignetti:

Okay. Ladies, if you'll indulge me for a couple moment, we have more on these 8 areas coming up. Now, Tony's Take Two. **[00:30:00]** I was at the Nonprofit Technology Conference back in March, and in fact, I'm going to talk about NTEN when we get to the IT section of the 8 areas. You know I was there, because you've heard the interviews. Now, I've got the videos up. I've got more of the 30 video interviews that I got in this two and a half day conference. It was an incredible rush. Thirty interviews in two and a half days. All the smart guests. You'll see my introductory video with links to this batch of interview videos at TonyMartignetti.com, and that is Tony's Take Two. Okay. Thank you very much, Sharon. Thank you, Melkis, for the short indulgence. Thank you very much.

Sharon Stapel:
You're very welcome.

Tony Martignetti:
It's important to talk about our sponsors graciously. Let's move on. We're in the next area, four, and Melkis, you want to take the organization is diverse and inclusive? I noticed that it's not only policies, but also practice.

Melkis Alvarez-Baez:
Right. So, as I said before, diversity and inclusion is one of the areas that we feel is a true value to highlight in our area. As I said, diversity is part of other standards across the country, but for us, we thought we needed to have diversity and inclusion as a standalone area so that we can continue to focus on it as a real area for management performance for nonprofits. What we mean by that is that the organizations' practices and policies need to reflect a commitment to diversity and inclusion at all levels of the organization. So, not just making sure that the staff is reflective of the communities that they're serving, but also that the board and the volunteers are as well.

Tony Martignetti:
You include trainings?

Melkis Alvarez-Baez:
Yes.

Tony Martignetti:
You want to see trainings regularly with all these different constituent areas that you mentioned?

Melkis Alvarez-Baez:
Right, exactly, so that everyone can effectively support and promote the mission **[00:32:00]** and perform the activities effectively that move the organization towards achieving its mission.

Tony Martignetti:
Okay. Policy-wise, you're looking for, and this is a standard, looking for a written diversity policy and a policy for reporting discrimination.

Melkis Alvarez-Baez:
Right. At this point, the selection committee is looking for organizations to have a written diversity policy which is different from an affirmative action statement, which is where a lot of organizations just stop there.

Tony Martignetti:
Can you differentiate between those for us?

Sharon Stapel:
Sure. Sharon, you might have a better sense of these but for diversity and inclusion, my understanding is that the organization is stating those two areas, and cultural competency as well as values for the organization, and they're informing hiring practices, promotions as well in terms of also the training and professional development that are offered to the staff. Sharon, you might be able to—

Tony Martignetti:
And distinguishing that with affirmative action?

Sharon Stapel:
Affirmative action is a legal obligation. You're legally prohibited from discriminating against people based on certain classes of identities. When we're talking about diversity, inclusion, cultural competency, and to some extent, equity, which we don't really get into in the 8 key areas, but is an important part of the conversation, what we're talking about is affirmatively embracing and understanding the value that diversity, inclusion, and cultural competency bring to being able to achieve your mission. It's not a proscription. It's really a value and a business decision that the organization makes, that we will be a better organization if we have a diversity of people, if we have a diversity of ideas, if we have a diversity of approaches to the work that we're doing, and making sure that at a minimum, that is encompassed in their policies and procedure manual.

Tony Martignetti:
And also assessed. **[00:34:00]** You have one of the standards, assessing staff and board diversity.

Sharon Stapel:
Yes.

Tony Martignetti:
And goals, and measurement against goal.

Sharon Stapel:
Absolutely. I think that there is a lot of people, I think, when they're thinking about diversity and inclusion, they often think about it as identity characteristics, and that's really important. Race,

ethnicity, sexual orientation, gender identity, religion, citizenship, immigration status. All of those things are really important, and we want people to be aware of and tracking where they are at, especially as it relates to the constituencies that they're serving. But we also want people to understand diversity as bigger than just identity characteristics. It's also, do you encourage disagreement that is healthy and constructive? Do you have diversity of opinions and ideas that can result in innovation and moving people forward?

We know that from the literature and from the research that that makes business better. That makes meeting the mission better, and we also know that people who come from diverse backgrounds are going to be more likely to have diverse opinions. So, it all sort of works together with the aim being that it's our job to do the best work that we can do to meet our mission. And if that means that we need diverse people, which we think it absolutely does mean, then that has to be one of the key things we're looking at when we're managing the organization. It can't be an afterthought or, as the affirmative action might be, sort of a legal disclaimer—

Tony Martignetti:
A minimum standard.

Sharon Stapel:
Exactly.

Tony Martignetti:
Okay. Let's stay with you, Sharon. Talking about human resources. The human resources are valued and developed. Now, in small shops, there's very likely not even an HR person devoted to this topic. It could fall to, I don't know, a COO or maybe the executive director, even. This could be a tough one, I would think.

Sharon Stapel:
I think it can be tough. I'm going to take a moment to say that part of the reason NPCC exists is to provide for our members these trainings and this **[00:36:00]** information so that they don't have to have someone on site to still know what they're doing. There is a resource for smaller organizations, but I think it is tough, and I think that we do our very best to keep nonprofits, particularly our smaller members, apprised of compliance issues and legal issues so that they are running the best HR department, or they are running the best organization in terms of HR they can. But this is also about, and I was actually listening to your most recent podcast where you had a guest talking about healthiness and wellbeing. This really is also about how we treat our human resources.

Tony Martignetti:
That was Jeff Cantor and Eliza Sherman just last week.

Sharon Stapel:
Exactly.

Tony Martignetti:
The Happy, Healthy Nonprofit, their book.

Sharon Stapel:
Exactly. Really, I think we say HR without understanding we actually mean the human beings that are in our business and in our nonprofit. Study after study shows, your guests last week talked about this, that healthy work-life balanced work environments, which are incredibly difficult to achieve in nonprofits sometimes, because of the under resourcing and the overdemand, but really focusing on, are your employees happy? Are they finding a work-life balance? That's going to make your business more effective, more efficient. You're going to be reaching your mission.

Tony Martignetti:
One of the things you're looking for as a standard is job descriptions, including for, oh, well, it's aspirational, I think, for volunteers. You have definitely job descriptions for employees and board members. Then, is it aspirational when it's job descriptions for volunteers? Or is that part of a standard? Well, volunteers, when utilized, are considered to be meeting the mission. So, you'd be looking for job descriptions for volunteers, I think, too.

Sharon Stapel:
Yeah.

Tony Martignetti:
Listeners, we have just recently replayed Heather Carpenter. **[00:38:00]** Her book is the *Talent Resource Platform*, and she was just on a couple weeks ago talking about job descriptions. Specifically, the segment was called Your Job Descriptions. You can search that. Also, going backwards one, it just occurred to me, Fields Jackson has been on the show talking about diversity and the value of diversity in your nonprofit. His name again, Fields Jackson. Okay. Let's see. Is there anything else on HR? You covered it quite well. Oh, succession planning is important, Sharon, in HR. We talked a little bit about that with Melkis. Anything more you want to say about the importance of succession planning?

Sharon Stapel:
No. I think Melkis, when she was talking about it with the board, that's really important, and not a lot of nonprofits do it. I will say the one thing that I hear most often about succession planning is the fear to start it, because it might seem to signal a departure from the organization. Really, I think one of the things that we'd like to see is to have succession planning be so routinized that it begins on day one of the job, that on day one, you're starting to think, what would happen if I wasn't here? Who would be doing this, and who would be doing that? Because it also helps you figure out your board structure. Do you have the right people in the right places? It helps you figure out your strategy and who's going to put that strategy forward? I think we have to get over this, I don't know, it's almost like this embarrassed shyness about doing succession plans.

Tony Martignetti:
If there's trust between the board and the CEO, then I think the board chair can reassure the CEO that, this is not about your departure. It's about the long-term viability of the organization in a potential crisis as well as, you might decide that you found a job that dropped in your lap and you want to take it five years from now or 10 years from now, and we need to be prepared.

Sharon Stapel:
Exactly.

Tony Martignetti:
It's all those things. So, hopefully there is that trust between the board and the CEO.

Melkis Alvarez-Baez:
[00:40:00] Tony, if I could add one more thing.

Tony Martignetti:
You certainly may.

Melkis Alvarez-Baez:
I think what we're talking about is succession planning beyond the CEO, that we're also thinking about succession planning as an opportunity to really invest in the staff and going back to your first point about developing the talent in the organization and just building up the bench in the organization. Succession planning is not just about the CEO potentially leaving, but also being really smart about who you have on your staff and developing them to take on more responsibility in the case of an emergency or in the case of just more opportunity to grow and promote your staff.

Tony Martignetti:
And that feels good for the staff, too. They see a career path within the organization. Or they see that when they get to a certain level, there's a discussion of career path within that organization. So, that promotes honesty and comfort within the organization you're working for. Let's go to number six. Sharon, you mind if we stay with you for information technology? I feel like we're playing this ping-pong game. I don't like it. Information technology improves efficiency and advances the mission. You got some very basic standards. I hope these are not hard to meet. Off-site electronic backup, surge protectors, virus scans, firewalls. Are there organizations still struggling just with the standard stuff?

Sharon Stapel:
I think so. Melkis can speak much better than I can to the applicants that we've seen with the Excellence awards, but I think one of the things about IT is that it is hard to find funding for specifically for IT. You may have folks who know what to do and who want to do it, and are desperate to get themselves up to the standards and really want to aspire to the aspirations, but

there just isn't any sort of funding that is earmarked for upgrading IT or connecting your networks or doing any of those things.

Tony Martignetti:
What if you're a partially grants-supported organization, partially, of course, **[00:42:00]** because you want to be very diverse in your fundraising; including that in grant applications? Is that unrealistic?

Sharon Stapel:
No, I think if your IT is important to running your programs and someone is supporting your programs, it's a direct, and sometimes indirect, but often a direct cost for your programs. Obviously, each organization has to analyze what it is for them when they're making the application. I also think that we should be thinking there are lots of really wonderful tech organizations that work on nonprofit tech, and I know you're about to talk about one.

Tony Martignetti:
I'll do it right now. Thank you very much. NTEN, Nonprofit Technology Network. NTEN. Nten.org. Of course, Amy Sample-Ward, the CEO, is a regular contributor on the show.

Sharon Stapel:
Wonderful.

Tony Martignetti:
You know Amy Sample-Ward?

Sharon Stapel:
I do. She's wonderful.

Tony Martignetti:
She's on the show every month. Well, she's been on maternity leave. I've got to get her back now when she's back off maternity leave. Yes, NTEN, of course. So, Amy's on every month. I go the NTEN conference every year. I was just saying, I captured 30 interviews in the 2016 conference. I'll be back, I'm sure, in 2017. Lots of NTEN videos on my YouTube channel, Real Tony Martignetti. Also, lots of NTEN interviews. Lots of technology interviews here on the show. Let's stick with area six, the sixth area, for another minute or so before we go to a break, Sharon. Basically, you want to see investment in technology resources, that's technology's actually supporting mission. Someone's responsible. Somebody's responsible for IT.

Sharon Stapel:
Again, this is a hard position to create as a full-time employee at an organization. We don't think that responsible employment means that you have an FTE on your payroll, but we do think that you have to be working with an IT provider who is reputable, who knows what they're doing, who is responsible. **[00:44:00]** IT can often create many crises in the ways that firewalls are

down or whatever, that are critical to the organization. So, they have to be someone you can rely on, as well. Making sure that you're thinking about this as an integral business structure or strategy, procedure, policy—

Tony Martignetti:
And not an add-on. It's integral to your business, to your mission.

Sharon Stapel:
Exactly.

Tony Martignetti:
Okay. We're going to go out for this break. When we come back, we've got two more areas, communications and fundraising. Stay with us. Did you think that I had forgotten the live listener love? Perish. Perish the thought. Live listeners, wherever you happen to be, we're prerecorded. It's the end of September right now, September 20th, and we're prerecorded, but the live listener love, it goes out. The live love is out. So, whether you are domestic or foreign, here or abroad, live listener love goes to you. Let's send a little linguistic live love. **[Foreign languages 00:47:01]**. If you happen to be listening in Mexico, which often is the case, buenas tardes. If you're in the Czech Republic, **[Czech 00:47:14]**. German, guten tag. U.S., live love to you. A company with a lot of listener love has to be the podcast pleasantries, because we have over 10,000 listeners from iTunes, Stitcher, and then smaller platforms like Player and Podbay and the one in Germany. Guten tag.

So, to all those podcast listeners, that's the vast majority of the audience, all the audiences I'm grateful for, but the vast majority happens to be in the podcast audience. Pleasantries to all those listeners, all of you, each of you. And our AM and FM affiliate affections have to go out. If you've got to do the live listener love in the podcast pleasantries, you have to do the affiliate affections. Our AM and FM stations throughout the country, let your station know that you hear Nonprofit Radio **[00:48:00]** on their station, on your station. They would appreciate that feedback. I would appreciate that. Affections to our affiliate listeners throughout the country. Melkis Alvarez, let's turn to you for our seventh area, communications. They should be strategic, effective, and build brand. Let's open it up broadly. What's this about?

Melkis Alvarez-Baez:
So, what is this about? This is about effective communications and planning. We think that communications should be strategic and integrated. Again, as we've said before, communications should not be an add-on or something that is just done every once in a while. Communications should engage the organization in terms of programs and other key areas of operations. It should be an organization-wide conversation. We're proud to do that at NPCC, if we can pat ourselves on the back. Really, I think that one other thing to note about communications is that it's two ways. It's not just about what the organization is putting out there, but also how are we responding to what our key stakeholders and audiences are telling us?

Tony Martignetti:
Yes. Are we listening?

Melkis Alvarez-Baez:
Right. It's that feedback loop, and being mindful of the feedback that we're getting and being responsive to that as well.

Tony Martignetti:
Annual report? You want to see a robust annual report?

Melkis Alvarez-Baez:
Right. That is, I think, a key marketing tool and a fundraising tool that many organizations use, and it's meant to highlight the organization's accomplishments from the prior year. That's one key way that they can communicate impact of the work that they're doing. I would say that that's external-facing for the most part, but this area also considers internal communications and the power of effective communications to inform and motivate staff. **[00:50:00]** Just making sure that that communications doesn't stop with social media or e-blasts, but really thinking about how staff are communicated with as well.

Tony Martignetti:
You're looking for understanding among lots of stakeholders that they can act as representatives, outward-facing representatives of the organization, and that they're empowered to do that.

Melkis Alvarez-Baez:
Right. Board members is a good example. How can they be strong ambassadors for the organization? We've seen organizations do this successfully when they prepare their board members to be effective champions, making sure that they can communicate the mission and the values of the organization, and to be able to really speak to the impact of the programs and to the effectiveness of the work.

Tony Martignetti:
Okay. Other volunteers, too, right?

Melkis Alvarez-Baez:
Other volunteers, too, yes.

Tony Martignetti:
You want them to be empowered. You want people talking at the organization that they love, that they're spending time or money with. These are critical resources people are giving. You want them empowered.

Melkis Alvarez-Baez:
Right.

Tony Martignetti:
Cool. All right. This is a standard. The organization has confidentiality and openness policies and procedures. Say a little bit about the openness policies. Is that basically what we're talking about?

Melkis Alvarez-Baez:
Yes. That's exactly what we were talking about.

Tony Martignetti:
Okay, we covered that. Okay. Then, confidentiality. What's that related to?

Melkis Alvarez-Baez:
That you have the proper safeguards in place to protect confidential information, both of the staff, but also of donors, as well. You want to make sure that you have the systems and policies in place to make sure that that information doesn't go beyond the organization, and that only the folks that need to know it have it.

Tony Martignetti:
I love the one, too, that cites website content. Updated regularly. Having the static website is not going to encourage people to visit. And Melkis, as you said, the communication needs to go beyond social media, and that includes your website. It's basic. **[00:52:00]** For guests that we've had on this, Kivi Leroux Miller was on recently. I interviewed her as part of a panel. Of course, she's the nonprofit marketing guide guru, but Kivi Leroux Miller's been on, and you can search at TonyMartignetti.com for branding or marketing communications. We've had lots of other guests on talking about that. Let's move on to fundraising.

Sharon Stapel:
Well, you don't need us for this, Tony. You can do this one by yourself.

Tony Martignetti:
No. I have my little niche of planned giving fundraising and the charity registration work I do, and that's a minor, minor part of what you're looking for here, that resource development is strategic, donor-centered, and effective. The chief executive and development staff together with the board set the fundraising strategy. Why is that important, Sharon? Why is it so inclusive?

Sharon Stapel:
This goes back to actually what I think Melkis was just talking about in terms of who can be your ambassador for the organization, what you were saying about multiple people should be able to talk about the organization. Then, also, something you said earlier about, which is also a focus of this area, that your fundraising has to be diverse in order for it to be sustainable. You can't really rely on one type of funds and be sustainable over a long period of time. Here, what we're saying is, the strategy to raising money can't just come from the development director, who

says, okay, this is what I think our options are. Or it can't just come from the ED, who says, okay, this is what I know. Or can't just come from the board, saying, this is what we need to do. It has to be a group activity and a group strategy, because everyone is going to be deployed in that strategy, and you need to be able to have people understand not just what the strategy is, but where they're headed in the long-term. We think that work has to be done holistically in the organization.

Tony Martignetti:
Okay. We can't spend as much time on fundraising as we did the other areas, **[00:54:00]** as critical as fundraising is. What I would like to do, Sharon, is, where can people find these 8 areas and all the bullet points, all the sub areas and the bullet points that we've been talking through? Who knows best where to find that?

Melkis Alvarez-Baez:
They're going to be on your website, www.NPCCNY.org, and you can visit our Nonprofit Excellence award tab. All of our resources and compilation of prior years' best practices are available there.

Tony Martignetti:
Okay, and this is an incredibly valuable 14-page document. Really, really valuable. Melkis, we have just a little under a minute, but I want to cover the education part of this. You have a webinar for each of these 8 key areas, right?

Melkis Alvarez-Baez:
Yeah. We have subsequent pathways to excellence workshops where we bring back past winners to really detail their winning practices in each of these areas. Again, they're meant to promote ongoing learning, but I would say that the biggest way that organizations learn through this process is by applying and putting together their team and going through the application process and getting the tailored, comprehensive feedback from our expert selection committee.

Tony Martignetti:
All right. Excellent wrap up. You're going to find all of this at NPCCNY.org. I apologize that we kind of ran out of time and we didn't cover fundraising to the extent that it deserves. That's my fault. I didn't quite manage the way I like to. So, I did not meet the aspiration today for me. Next week, there's no show. It's Happy Thanksgiving next week, except for our AM and FM affiliates. Of course, I will find a very good archived show for you. If you missed any part of today's show, find it on TonyMartignetti.com. We're sponsored by Pursuant, online tools for small and midsized nonprofits, data driven and technology enabled. And Webeespelling, super cool spelling bee fundraisers. WeB-E-ESpelling.com. **[00:56:00]** Pursuant is Pursuant.com. Our creative producer is Claire Meyerhoff. Sam Leibowitz is the line producer. Gavin Dahl is our AM and FM outreach director. The show's social media is by Susan Chavez. This music is by Scott Stein of Brooklyn. Be with me next week for Nonprofit Radio, big nonprofit ideas for the other 95 percent. Go out and be great.

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