

2008-2009 ORGANIZATIONAL ASSESSMENT REPORT

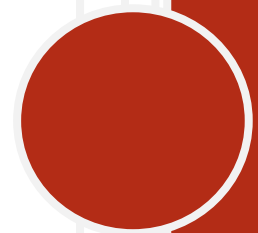
New Detroit Compassion Capital Initiative

DRAFT

The report herein reflects a three phased approach developed by DEXDesign Associates, Inc. as a means to measure the readiness of an organization to secure resources to carry out its programs and services. The assessment tool that DEXDesign Associates, Inc. (DEX) developed for New Detroit's Compassion Capital Initiative (CCI) was modified from DEX's comprehensive assessment approach to address New Detroit's overall goal of assisting community based organizations and faith based organizations enhance activities and actions aimed at improving an organization's ability to fulfill its goals. The assessment evaluates said organizations in the areas of their board, funding, outreach, programming and collaborative engagement.

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DEXDesign
ASSOCIATES INC.



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Table of Contents

Executive Summary - 3

Capacity Building - 6

Organizational Analysis - 7

Recommendations - 11

Capacity Toolbox - 12

Executive Summary

The purpose of New Detroit's Compassion Capital Initiative (CCI) is to assist faith and community-based organizations in strengthening their programmatic and organizational infrastructure. The goals of the CCI area are as follows:

1. Effectively assist faith and community -based organizations to build, strengthen, and enhance their human and organizational capacity to meet the needs of the community; and
2. Create and expand initiatives designed to develop and enhance the management and staff of community and faith-based organizations.

In working to achieve these goals, CCI is comprised of two paths, the sub-award and the technical assistance/training path. The sub-award path focuses on strengthening the infrastructure and efficiency of the organization through a \$2,500, 5,000, 10,000, or \$15,000 grants to hire consultants for capacity building purposes. Both paths target areas of capacity building are as follows:

- Leadership Development
- Program Development
- Organizational Development
- Community Engagement
- Revenue Development Strategies

In building the capacity of faith and community-based organizations, CCI's primary goals are as follows:

- Increase their effectiveness and sustainability;
- Enhance their ability to provide social services;
- Expand their organizations;
- Diversify their funding sources; and
- Create collaborations to better serve those most in need.

These goals serve as the compass for developing technical assistance strategies and should be reflected in each organization's work plans and work product.

Eligibility Requirements

To be eligible to participate in the process organizations must comply with the following:

1. Must be community or faith-based organization currently implementing non-religious program(s);
2. Be incorporated in Michigan;
3. Have an organizational budget under \$700,000;
4. Offer programs in at least one of the following areas:
 - a. At-risk youth
 - b. Elders in need
 - c. The homeless
 - d. Families transitioning from welfare to work
 - e. Prisoner re-entry programs and children of prisoners
 - f. Those in need of rehabilitation such as addicts or prisoners.
5. Serve populations in at least one of the following counties; Wayne, Oakland or Macomb;
6. Have not received direct federal funding in the past;
7. Have 2.0 FTE staff (paid or volunteer);
8. Attend a bidder's conference;
9. Complete the organizational assessment process;
10. Have board engagement and written support of participation;
11. Have a facility for program delivery and administration of organization; and
12. Have two years of program delivery/operations for sub-award strategy and one year of program delivery/operations for training/technical assistance strategy;

Participation Criteria

The 2008/09 requirement's for participation consists of several activities which include the following:

1. Completion of an online pre-application;
2. Participation in a bidders conferences;
3. Completion of an online assessment;
4. Completion of an organizational review;
5. Participation in mandatory orientation;
6. Completion of an online application;
7. Participation in an application and work plan workshop (Optional);
8. Participation in technical assistance training (Optional); and
9. Submission of an application and work plan.

Thus, Charity Music (CM) is an organization based in Southeastern Michigan and other parts of the United States of America Michigan which has met the initial criteria established by CCI as referenced to on page 3 items 1 through 12 and has completed items 1 through 4 of the 2008/09 participation requirements. Meeting siad eligibility and participation requirements in New Detroit's Compassion Capital Initiative, CM's primary mission is as follows:

Help cultivate the next upcoming crop of young artists by providing musical instruments on loan, to at risk and disadvantaged youth. Also provide musical instruments and live entertainment to VA Hospitals in support of our military.

In doing so, the organization delivers an array of services as to include but not limited to the following:

- Instrument Donations
- Volunteer Opportunities
- Youth Development Charity Concert Series

In executing its mission, over the next 5 years CM's vision for their service area is as follows:

Reduction in youth related crimes

During its review of responses from the on-line assessment and organizational documents DEXDesign Associate, Inc. identified CM's strengths and barriers to success and has made recommendations which focuses on addressing impediments toward realizing the mission in the areas of leadership development, program development, organizational development, community engagement and revenue development strategies. The four sections of this report 1) capacity building, 2) organizational analysis, 3) recommendations and 4) capacity toolbox, serve as the foundation for developing asolid organization.

The assessment herein details DEXDesign Associates, Inc.'s review of Charity Music.

Capacity Building

Community structures are generally organized around three realms; the government, business, and nonprofit sectors. Like a three-legged stool, all three sectors must be present, sturdy, and working together to achieve balance and stability. However, in today's rapidly changing environment, there is considerable concern that the third sector—community-based nonprofit entities—may lack the capacity and technical expertise to keep up with change and thereby contribute to an enriched and healthy quality of life. Many small, community-based groups are organizationally fragile. Many large groups are stretched to their limits. As demand for community-based services grows, as new needs are identified, and as new paradigms for exchange and interaction emerge, the nonprofit sector is continually challenged to devise ways to increase and strengthen its capacity. Indeed, capacity building must rest on the notion that change is the norm and not a passing anomaly.

The concept of capacity building in nonprofits is similar to the concept of organizational development, organizational effectiveness and/or organizational performance management in for-profits. Capacity building efforts can include a broad range of approaches, e.g., granting operating funds, granting management development funds, providing training and development sessions, providing coaching, supporting collaboration with other nonprofits, etc. Prominent methods of organizational performance management in for-profits are beginning to be mentioned in discussions about capacity building, as well, for example, the Balanced Scorecard, principles of organizational change, cultural change, organizational learning, etc.

In an effort to address capacity building concerns of nonprofits, DEXDesign Associates in partnership with New Detroit's Compassion Capital Initiative (CCI), provides support services as well as customized training to facilitate organizational growth and strategies to address predetermined future needs (capacity building). Services include but are not limited to the following:

- Strategic Planning
- Housing Development Assistance (*Project Development, Market Analysis/Study, Project Management*)
- Non-Profit Start Up/Small Business Start-up
- Fund Development¹ (*Grant Writing, Special Events, Individual Donor and Corporate Campaigns*)
- Board Development/Team Development
- Program Development/Project Development

At DEX, our primary goal, which is consistent with CCI's, is to increase the efficiency and effectiveness of organizations.

¹ DEXDesign is a licensed and bonded fundraising firm with the State of Michigan Attorney General.

Organizational Analysis

DEXDesign Associates, Inc. facilitated an abbreviated organization assessment of *Charity Music* as to review their organizational performance in the areas of organizational development², leadership³, programs/services⁴, revenue development⁵ and community engagement⁶.

The analysis consisted of reviewing responses from an on-line assessment and reviewing organizational instruments as to determine the institutional readiness for delivering high quality programming. During the on-line assessment phase CM identified specific 5-year goals. CM proposed goals include the following:

- Provide instruments to other non profits and community agencies that service those in need.
- Provide instruments and entertainment to each of the 157 VA Hospitals, and also to Veterans in need. Provide instruments and entertainment to each of the 157 VA Hospitals, and also to Veterans in need.
- Secure resource development and marketing assistance.

During the assessment phase, DEX engaged CM via an assessment and organizational review of organizational documents. The primary purposes of the process were to 1) determine the organization's understanding of its legal and fiduciary roles as a nonprofit corporation and 2) to identify assets and barriers toward successfully achieving both bottom lines, its mission and fiscal position.

² Defined as board governance, attaining 501 (c) (3), policies and procedures, technology and communications, etc.

³ Defined as board development, staff and volunteer development, succession planning, etc.

⁴ Defined as curriculum, program monitoring, evaluating program outcomes, etc.

⁵ Defined as designing donor development strategy, grant writing training, donor development training, acquiring donor tracking software, etc.

⁶ Defined as community asset mapping, needs assessment, establishing collaborative relationships, community outreach, etc.

Assessment

The on-line assessment principal areas of concentration include organizational development, leadership, programs/services, revenue development and community engagement. Charity Music's executive director's responses to the on-line assessment identified strengths and barriers in the following areas:

Strengths

- Board has broad reach into the community.
- Has strong volunteer base.
- Engage program participants in refurbishing instruments.

Barriers

- Limited board engagement in governance related activities.
- Activities based agency.
- Limited fund development strategy.

Furthermore, Charity Music experienced the following successes and challenges in 2008:

Successes

- Has national presence via the web.

Challenges

- Limited board engagement in resource development and governance.

Organizational Review

In concert with the Assessment DEX facilitated a 17-point Organizational review which focused on the following concerns:

1. Program Reports Submitted to All Grantors
2. Most Recent Strategic Plan and/or Business Plan
3. Hardware/Software List – Business Systems
4. Licensure (Directors & Officers Insurance and Charitable Solicitations)
5. Last 2 Years Profit and Loss Statements
6. Organizational Chart
7. Funders Contact List (Past and Current)
8. Committee Members Contact List (Past and Current)
9. Lease Agreements (Equipment and Buildings)
10. Funding Reports from Past Special Events and Annual Appeals
11. Board of Directors List (Include information on Boards and Committees Each Participates On)
12. Package of Donor Appeal Materials
13. Bylaws
14. Most Recent Audit
15. 2 Years Board Minutes
16. Office/Agency Policies and Procedures Manual
17. Last 2 Years 990 Tax returns

DEX's feedback on the aforementioned items is as follows:

Areas of Review	Consultant's Feedback
1. Program Reports Submitted to All Grantors	Not available.
2. Most Recent Strategic Plan and/or Business Plan	Not in place.
3. Hardware/Software List – Business Systems	Not available.
4. Licensure (Directors & Officers Insurance and Charitable Solicitations)	Sufficient for current operations.
5. Last 2 Years Profit and Loss Statements	Sufficient for current operations.
6. Organizational Chart	Linear organizational structure.
7. Funders Contact List (Past and Current)	Not available.
8. Committee Members Contact List (Past and Current)	Not available.
9. Lease Agreements (Equipment and Buildings)	Not in place.
10. Funding Reports from Past Special Events and Annual Appeals	Not available.
11. Board of Directors List (Include information on Boards and Committees Each Participates On)	Sufficient for current operations.
12. Package of Donor Appeal Materials	Not available.
13. Bylaws	Sufficient for current operations.
14. Most Recent Audit	Not required.
15. 2 Years Board Minutes	Board operates as a committee of the whole.
16. Office/Agency Policies and Procedures Manual	Not in place.
17. Last 2 Years 990 Tax returns	Sufficient for current operations.

Recommendations

Information provided during the assessment process was ranked on a scale of 1 to 3 in the areas of organizational development, leadership, programs/services, revenue development and community engagement with the following valuations:

- 1 – Needs Improvement
- 2 – Meets Expectations
- 3 – Exceeds Expectations

DEX's overall ranking for Charity Music is **1**.

Based on DEXDesign's interview with Charity Music's leadership, review of the assessment responses and organizational documents, listed below, in priority ranking, are DEXDesign's primary recommendations for realizing Charity Music's capacity building goals:

1. Secure program development assistance to connect to outcome measures and moves the organization from activities to programming.
2. Secure board development assistance in the areas of resource development and roles and responsibilities.

In preparation for the next steps with New Detroit's CCI Project, review the accompanying *Capacity Toolbox* on the next two pages. This can be of assistance in your determining how to address your agency's goals based on the aforementioned recommendations.

Capacity Toolbox

In addition to New Detroit's and DEXDesign's capacity building services in the areas of strategic planning, board development, program development and fund development, in order to assure that Charity Music achieves its capacity building goals, the following are recommended resources that may be of assistance:

Organizational Development

Eastern Michigan University Professional Training <http://www.ce.emich.edu/ppatcatalog/>
Sarbanes Oxley Act 2002 Training

Robert's Rules for Dummies, By C. Alan Jennings Copyright 2005 Wiley Publishing
Indianapolis, Indiana

Robert's Rules Of Order Newly Revised In Brief, By Henry M. III Robert , William J. Evans , Daniel H. Honemann And Thomas J. Balch Copyright 2004 Roberts Rule Association Longboat Key, Florida 34228

Community Legal Resources 220 Bagley Suite 900 Detroit, MI 48226- 313.962.3171 –
<http://clronline.org>

Leadership

Nonprofit Enterprise at Work (NEW) 1100 North Main St., Suite 100 Ann Arbor, MI 48104
734-998-0160 new@new.org Board Connect <http://www.boardconnect.org/calendar.php>

Board Walk - United Way for Southeastern Michigan 1212 Griswold, Detroit, MI 48226
313.226.9200 <http://www.uwsem.org/boardwalk/index.html>

Revenue Development and Programs/Services

Youth Development Commission Shuna K. Hayward skhayward@ydcdetroit.org 313-963-8916
1274 Library, Suite 201, Detroit, MI 48226

Youth Development Commission Shuna K. Hayward skhayward@ydcdetroit.org 313-963-8916
Show Me the Funders Resource Expo January 30, 2009 Fellowship Chapel Village 7707 W. Outer Drive (East of the Southfield Freeway) Detroit, MI 48235

Wayne County Community College District 801 W. Fort Detroit MI 48224 313.496.2735
January 23, 2008 – May 8, 2009 – Truman Hudson Jr. Adjunct Faculty

- *Identify The Funds That Count* - GWRT-1322 CRN: 28478
- *Grant Writing I* GWRT-1323 CRN: 28479
- *Grant Writing II* GWRT-1324 CRN: 28480
- *RESEARCH/WRITE STATE AND FEDERAL GRANTS* GWRT -1325 CRN: 28481

Building Movement, Linda Campbell, lstewart22@aol.com 220 Fifth Avenue Fifth Floor New York NY 10001 www.buildingmovement.org

Raising More Money Model - <http://www.benevon.com/>

"Grantsmanship-Training Program," sponsored by the Grantsmanship Center, in Lansing, Mich. Contact: Joan Sullivan, Grantsmanship Center, 213.482.9860 or 800.421.9512, ext. 53; joan@tgci.com; <http://www.tgci.com>

"Detroit-Area Grant Makers," workshop sponsored by the Council of Michigan Foundations, in Detroit, MI. Contact: Susan Howbert 313.566.2444; showbert@cmif.org; http://www.cmif.org/Calendar_full.asp

Annual conference of the Council of Michigan Foundations, in Grand Rapids, MI. Contact: 616.842-7080; conference@cmif.org; http://www.cmif.org/Calendar_full.asp

Worker Location Services - Senior Community Service Employment Program (SCSEP) Detroit Urban League Family and Community Development Center 15770 James Couzens Detroit, MI 48238 313.832.4600

Market Studies, Facilities Financing - Nonprofit Finance Fund 645 Griswold Street Suite 2202 Detroit, MI 48226 313.965.9145
<http://www.nonprofitfinancefund.org/location.asp?autoId=48#locations>

Technology - NPower 7375 Woodward, Suite 2730 Detroit, MI 48202
<http://www.npowermichigan.org/>

Housing and Economic Development Assistance – Local Initiative Support Corporation - 660 Woodward Ave. Suite 1111 Detroit, MI 48226 313.596.8222 - <http://www.lisc.org>

Community Engagement

Collaborations, Asset Mapping, Needs Assessments - United Way for Southeastern Michigan
1212 Griswold, Detroit, MI 48226 313.226.9200
<http://www.uwsem.org/partnertools/resources.html>

Building Movement, Linda Campbell, lstewart22@aol.com 220 Fifth Avenue Fifth Floor New York NY 10001 www.buildingmovement.org

School of Social Work Wayne State University, Elizabeth Agius 419 Thompson Home 313-577-5251 eagius@wayne.edu