



Summary of the NEAT© Process

(Sample Executive Assessment Analysis Attached)



Background

Founded in 2004, ACAM is a Houston-based 501(c)(3) public charity and management support organization (MSO) with the mission to advance high impact collaboration, service excellence and organizational development. As part of the growing field of management support organizations (MSOs) that assist nonprofits in developing capacity, ACAM has an interceding role with responsibilities to two sets of clients: the nonprofits to which capacity building assistance is provided, and the funding community which expects measurable results from their investment in ACAM's various programs and projects. ACAM has a history of being a responsive, relevant and productive organization that arms community-minded nonprofits with the tools and programs they need to face a multitude of issues that affect the quality of life in their communities.

Capacity Building Strategies

Capacity building forms the basis of ACAM's commitment to growing organizational effectiveness. From its beginnings as a funder-initiated organizational development project, ACAM has a deeply ingrained appreciation and recognition that ongoing strategic discussion, development and evaluation is critical to the continued success of any organization. ACAM's clients complete comprehensive on-site assessments to determine whether increased collaboration, new learning and growth in services resulted from their participation in ACAM's programs and from their use of organizational assessments, planning documents and goal assessments.

ACAM also enables clients to evaluate their own programs by offering specialized training, one-on-one coaching, organizational assessment tools and the services of an external evaluator. Participants review specific outcomes and capacity building efforts in order to develop actionable goals and indicators that better measure community impact.

The Groundwork for Growth and Sustainability: ORGANIZATIONAL ASSESSMENTS

The heart of ACAM's Capacity Building Program is helping nonprofit organizations become stronger and more sustainable. From the beginning, rigorous assessment of nonprofits' organizational capacity and substantive goals for building capacity have been key components of ACAM's mission.

In 2011, ACAM designed its proprietary Nine Elements Assessment Tool (NEAT©), an evidence-based system for assessing nonprofit organizational capacity. The NEAT© enables leaders to identify the organization's developmental needs and establish realistic goals. Organizational leaders can then use this information to cultivate the resources they need to achieve their goals. The NEAT© assists organizations in looking not only at the performance of

certain business segments and operations goals, but goes further into identifying several dimensions of each segment.



The tool also works well in allowing the evaluator to identify an organization’s stage of capacity and further define development is within each element and dimension, whether the organization is developing infrastructure, growing, has reached sustainability, or is evolving. Using this framework, the plans resulting from ACAM’s capacity, planning and goal assessment services have resulted in higher leadership capacity, enhanced social enterprise operations, boosted infrastructure and strengthened support bases.

The NEAT[®] Evaluation MODEL

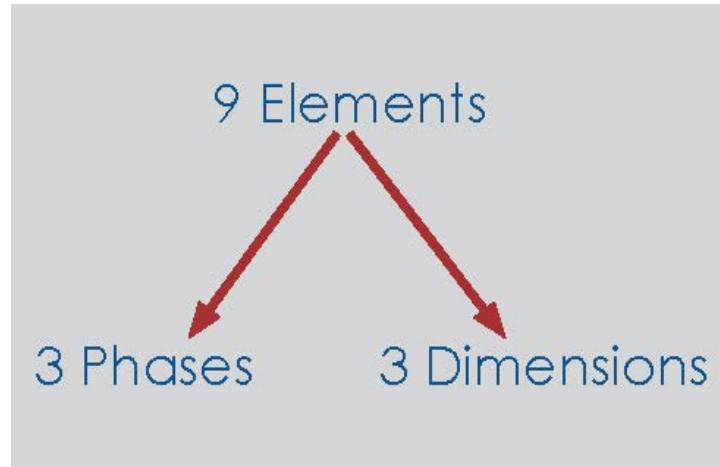
Through the years of assessment experience ACAM has gained, one thing has become predominantly clear – An organization’s capacity is fragile and dynamic. Employees with vast institutional knowledge leave the organization, systems become obsolete and priorities change. ACAM has developed a tool which can help an organization measure its progress, identify shortcomings and capitalize on identified strengths and opportunities at any point in time. The NEAT[®], while developed for a specific subset of nonprofits, can be utilized by any variety of organizations that have the desire to be high performing, efficient, impactful stewards of funding and programs.

The Nine Elements Evaluation Model is designed to help each client achieve its strategic goals, as well as assess its organizational capacity. The model encourages organizations to focus on capacity building goals that are relevant to their specific needs. To achieve this, the model provides an evaluation tool for each element that has two main components: 1) Dimensions,

which summarize the core competencies for that Element; and 2) Organizational Development Phases that identify levels of capacity. These two components, discussed below, are the framework for the Nine Elements Evaluation Model.

Dimensions

The model for each of the nine elements is composed of three dimensions. These dimensions summarize the critical competencies organizations should develop to excel in each element. The dimensions that comprise an element are each equally important, not hierarchical and they do not represent progressive steps toward building organizational capacity. An organization may choose to focus on building capacity in any dimension, or work on multiple dimensions simultaneously. See Table 2 on the next page for a summary of the nine elements, their associated dimensions and competencies.



Organizational Development Phases

■ Infrastructure ■ Growth ■ Sustainability

The instruments for each of the nine elements include specific indicators that assess, and identify goals for improving, organizational capacity in each dimension. These indicators define performance levels for each dimension based on three organizational development phases (Figure 1):

- ▲ **INFRASTRUCTURE:** This phase helps build the organization’s foundation, the fundamental structure and processes needed to be legally compliant and to operate its programs.
- ▲ **GROWTH:** This is an expansion phase in which the organization continues to develop and build on the foundation established during the Infrastructure phase.
- ▲ **SUSTAINABILITY:** This phase defines the ideal, a high-performing organization that responds to opportunities and challenges.

Within each element, an organization may achieve different phases across the three dimensions. For example, an organization may be operating at the Infrastructure phase in one dimension, but the growth phase in another. Overall, the NEAT© utilizes 212 capacity indicators within the nine elements, 27 dimensions and three development phases of the tool to assess an organization’s current capacity.

Table 2: Nine Elements: Dimensions and Competencies

ELEMENT	DIMENSIONS AND COMPETENCIES		
Board Leadership	Composition and Development	Roles and Responsibilities	Strategic Direction
The organization has a capable, well-organized board continually engaged in leadership development. Clearly defined roles and responsibilities ensure that board members actively support the organization’s mission and oversee its strategic direction.			
Human Resources	Policies and Procedures	HR Management	HR Planning
The organization’s Human Resource policies and strategies: 1) are fair and legally compliant, 2) ensure that the nonprofit has a professional, highly motivated paid and volunteer staff, and 3) systematically support the organization’s mission and strategic plan.			
Financial Management	Policies and Procedures	Reporting and Analysis	Performance
The organization’s financial management system is legally compliant and provides leaders with the information they need to monitor and plan for the nonprofit’s long-term financial health.			
Fund Development	Stability	Planning	Ethics
The organization has a long-term development plan that is based on truthfulness and responsible stewardship, measurable goals, and a diversified funding base.			
Program Strategies & Outcomes	Program Development	Program Delivery	Program Evaluation
The organization continually reviews and evaluates its programs to ensure that they are mission-focused, efficient, and effective.			
Community Relationships	Communication	Collaboration	Education/ Involvement
The organization is a prominent stakeholder in the community that expands its social impact through collaborative relationships and continued involvement in issues that affect the clients it serves.			
Technology	Technical Resources	Technology Management	Information Management
The organization manages its technical resources to maximize their value and uses these resources to disseminate information and facilitate decision-making.			
Facilities	Workspace	Safety	Environment
The organization’s facilities support the nonprofit’s mission and programs and offer a safe, professional, and inviting environment for its staff and clients.			
Executive Director Leadership	Organizational Culture	Performance Management	Competencies
The Executive Director leads the organization to: 1) sustain a positive work environment with high performance standards, 2) establish and achieve measurable objectives, and 3) secure the resources necessary to achieve its long-term vision.			

NEAT[®] Executive Analysis

The following information guides consultants and nonprofits in using the NEAT[®] system to assess organizational capacity and describes the following steps in the process:

- 1) **How organizations prepare for the document review and the consultant's site visit**
- 2) **What takes place during the site visit**
- 3) **The final report provided to organizational leadership after the assessment is completed**
- 4) **The organizational leadership goal planning process**

A significant portion of the capacity assessment actually takes place prior to the consultant's visit. This is done through a review of documents that the organization provides the consultant beforehand. By reviewing these materials in advance, the consultant will be familiar with the organization and the site visit will be efficient and focused.

Final Report

After the document review and site visit, the consultant prepares the Nine Elements Final Report. This report is submitted to the client's organizational leadership. The consultant also meets with the leadership to discuss the report.

The Final Report has four components (described below): Executive Summary, Summary Notes, Detail Assessment Results, and Final Report Statistics (sample attached). The report is formatted in a way that allows an organization to distribute summary sections to stakeholders, such as board members and funders, without disclosing sensitive information.

Executive Summary

This is a high-level, overall summary that includes a discussion of the organization's strengths, as well as recommendations for the leadership to consider regarding capacity building needs and goals.

Summary Notes

In this section, the consultant provides greater detail about the site visit with a brief discussion for each element of the organization's current capacity and developmental goals. The summary notes may also provide information about important factors, such as documents or interview materials that were used in the verification process.

Detail Assessment Results

This section is composed of a series of tables that include the indicators for each element. The consultant reports and tallies responses as to whether or not the organization has completed each indicator based on four response options:

- **YES** (The indicator is complete)
- **NO** (The organization has not completed the indicator)
- **NOT APPLICABLE** (The indicator does not apply to the organization. This determination is made through evidence provided at the site visit.)

- **TO BE DETERMINED** (The verification process has not been finalized)

Final Report Statistics (Sample of Executive Analysis of Statistics Attached)

The NEAT[®] system provides a means for quantifying changes to an organization's capacity. These statistics are *not* interpreted as scores. Their primary use is to demonstrate results to the funding community. The Final Report Statistics section includes 1) An Executive Analysis of statistics for each element (Attached) and 2) an overall total for the eight elements included in the analysis. (No statistics are computed for the Executive Director Leadership element.)

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Sample Executive NEAT© Assessment Analysis



Sample NEAT© Executive Analysis

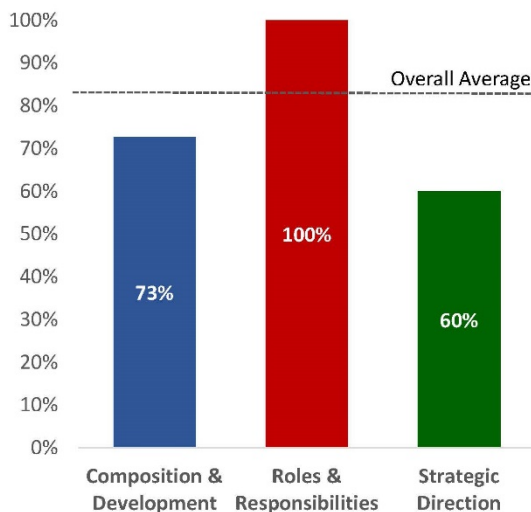
Recommended Next Steps

Board Leadership

Composition and Development 73%
Strategic Direction 60%

Recommendations

- Consider performing an assessment of board member skills and community connections. This can be used to identify high-potential candidates for the board.
- The board may want to consider bringing in outside expertise to serve on taskforces or committees. This is a good way to identify future board members.
- Succession planning can be a daunting challenge for boards. The board may want to consider developing an emergency succession plan if the executive director suddenly becomes unavailable due to illness or accident. Boardsource.com has books and informative articles on managing executive director transitions.
- The board may want to review program and project progress against targets / objectives at least quarterly.



Board Leadership: *Strategic Direction* Dimension lags more than 20 points behind the overall average

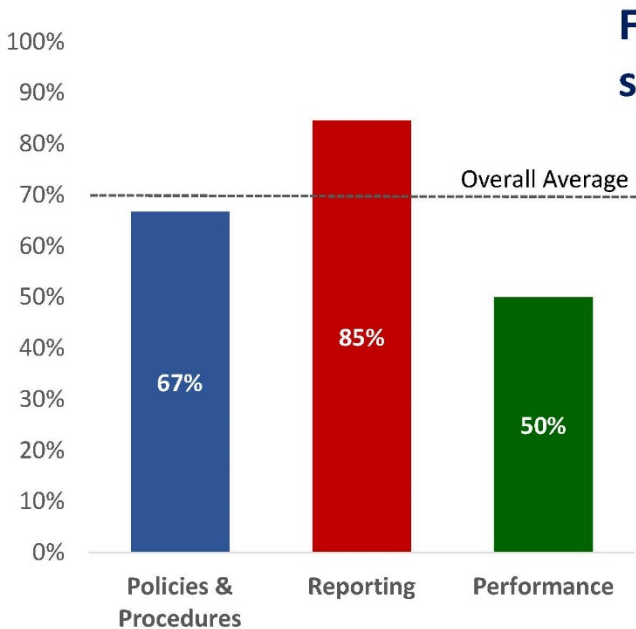
- ◆ Complies with legal and ethical requirements
- ◆ Strategically recruits new board members
- ◆ Continually enhances its effectiveness
- ◆ Oversees financial status
- ◆ Supports fund development
- ◆ Enhances organization's public image
- ◆ Understands the mission
- ◆ Reviews progress against goals



Financial Management

Performance 50% Recommendations

- High priority should be given to board development and fundraising to stabilize the organizations finances.
- Consider using calculations and trended graphs and charts when working with the board or board committees as a basis for decision making, especially during strategic discussions of the future.
- Develop a written Expense Reimbursements Policy that includes rules, such as what expenses are covered and guidelines for reimbursement requests. This should be a high priority for the management and board.
- Continue to work on developing and maintaining a 90-day operating reserve.



Financial Management: *Performance* should be a high priority in 2016

- ◆ Complies with nonprofit regulations
- ◆ Maintains and follows Accounting Manual
- ◆ Mitigates risks (e.g. audits, reviews insurance)
- ◆ Establishes policies for investment and reserves
- ◆ Uses accepted accounting principles
- ◆ Implements a cost allocation plan for shared costs
- ◆ Utilizes data for planning and decision-making
- ◆ Has sustained planned activities and liquid assets to cover 90 days for past 12 months
- ◆ Reasonable administrative costs
- ◆ Calculates per service unit costs
- ◆ Engages in capital planning

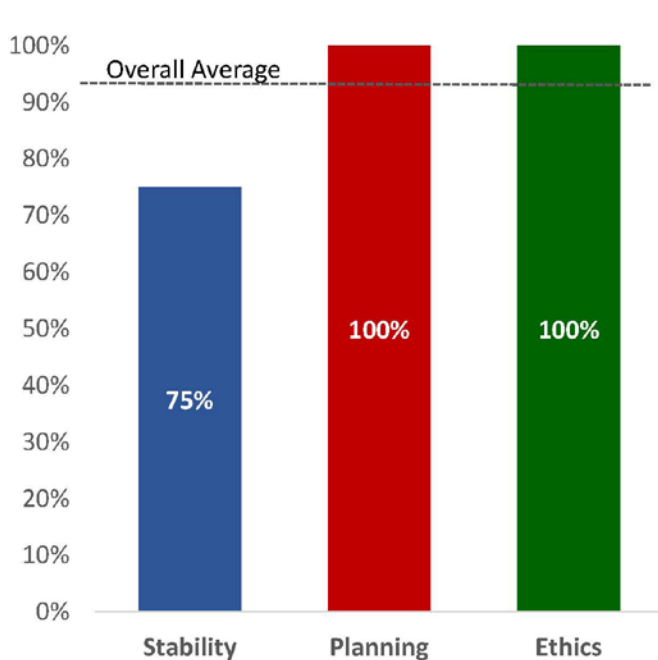
Fund Development

Stability

75%

Recommendations

- Outside funding is the best option for sustaining this high need community. The organization should seek support from larger, more affluent foundations, corporations, or individuals.



Fund Development: *Stability* will depend on developing new funding sources

- ◆ Diverse mix of funding sources
- ◆ Social enterprise performance monitored
- ◆ Executes special or major gift campaigns
- ◆ Fund Development Plan guides goals and strategies
- ◆ Uses a variety of techniques to increase support
- ◆ Clear, consistent and accurate communications
- ◆ Donors' rights are honored and protected
- ◆ Campaigns are conducted in an ethical manner

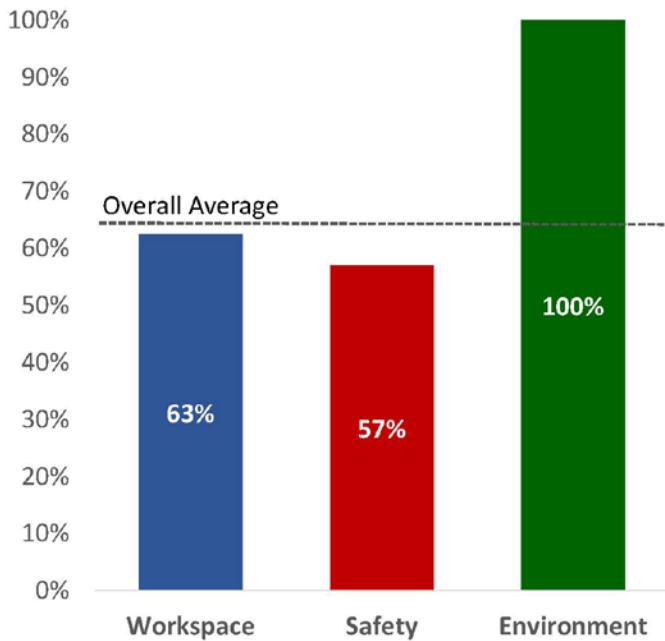
Facilities

Safety

57%

Recommendations

- Create an Emergency Evacuation Plan and communicate plan elements to staff, clients, and volunteers.
- Develop and communicate procedures that inform employees and volunteers regarding the steps to take when handling specific threats (e.g., bomb threat, threatening phone call, aggressive client or employee, etc.).
- Consider having a security expert review the organization's security measures and implement any resulting recommendations.



Facilities: *Safety* should be a high priority in 2016; *Workspace* plans should fit an overall strategy

- ◆ Necessary space and features to support programs and vision
- ◆ Plans for ensuring accessibility per ADA Checklist
- ◆ Emergency evacuation plan is posted
- ◆ Workplace violence policies are in place
- ◆ Addresses hazards and risk factors
- ◆ Maintains security devices and measures appropriate for its operations
- ◆ Clean and well-maintained
- ◆ Public spaces and signage accommodate guests' needs