NONPROFIT SURVIVAL GUIDE

Step-by-step advice for strong organizational management

asia catalyst

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Nonprofit Survival Guide

Content

About the Nonprofit Survival Guide

Asia Catalyst created the Nonprofit Survival Guide to provide some basic advice to grassroots nongovernmental organizations (NGOs) on some basics of running a nonprofit or an NGO. Everything in this handbook is provided in Chinese and English, and is also available for free download at www.asiacatalyst.org.

Asia Catalyst builds strong civil society and advances the rights of marginalized groups in Asia. We train community-based organizations (CBOs) to meet high standards of effective and democratic governance, to establish a stable foundation for future growth, and to conduct rigorous human rights research and advocacy.

These materials were developed through our coaching and training work, and include tools we often use when training groups in these skills. By following the steps in this guide and using the templates and samples provided, you can help to build a solid foundation for your organization. Naturally, each organization has its own unique context and internal culture. We recommend adapting these templates and samples to fit the needs of your organization.

In working with groups, though, we have found that certain things are absolutely essential as a foundation for the growth of a grassroots group. These include

- **A core team**. In our experience, an organization where all power is concentrated in one leader is unstable; vulnerable to poor decision-making, financial mismanagement and abuse; and ultimately, unsustainable. From strategic planning to financial management, it is essential to involve a core group of equals in decision-making—even if some or all of them are unpaid volunteers. This is more than just good management: the process of forming such a group also teaches leadership skills and democratic decision-making, essential skills for promoting progressive social change in the world outside of the organization. The Volunteer Management section of this guide can help you to build such a team over time.
- **A strategic plan**. We use a simple "logic model" form that enables grassroots groups to easily see how their long-term vision relates to medium-term goals and short-term outputs. We strongly recommend creating a new plan once each year, and holding a quarterly meeting to evaluate progress.
- **An organizational budget**. Many grassroots groups do not have a budget for their whole organization, including administrative costs—instead, they create a new budget every time they apply for a grant. Good management requires knowing your organization's financial needs and condition at all times. We provide a simple budget and guidelines for those creating budgets for the first time.

We hope you find these tools useful. Contact us if you have questions or suggestions about these, or about future management tools you would like us to create, at **info@asiacatalyst.org**.

Meaningful Participation and Meeting Facilitation

"Meaningful Participation" is not only a core value for Asia Catalyst, but also central to the work of all NGOs. Organizations should create opportunities for all parties – from staff to volunteers and community members – to participate in their work. Before change can be brought to society as a whole, we must first model the changes that we wish to see ourselves, within our own families, communities, and organizations. Asia Catalyst refers to this as the concept that "**human rights begin at home**." Meaningful participation plays a decisive role in strategic planning and organizational management. Therefore, this first chapter of the *Nonprofit Survival Guide*, focuses on meaningful participation as a foundation for NGOs to work and develop. Further, we recognize that ensuring the meaningful participation of all parties, to a great degree, relies on good meeting facilitation methods. Consequently, this chapter also explains several approaches to facilitating successful meetings. At the end of each chapter in this guide, we close by providing you with a Toolkit – a set of templates and models for use in practice that build on the concepts outlined in the chapter.

How to Understand Meaningful Participation shows that the idea of meaningful participation is widely used for organizations and individuals both throughout history and in the contemporary world to promote social change. Next, How to Understand the Relationship between Meaningful Participation and Meeting Facilitation reveals that good meeting facilitators can enhance participation in meetings and vice versa. We go on to compare successful meetings and unsuccessful meetings in How to Facilitate A Successful Meeting, and give some examples of how a facilitator can influence the effectiveness of a meeting. You may want to try out the Toolkit|5 Practical Tools for Meeting Facilitation. How to Set Meeting

Ground Rules will teach you to make behavioral guidelines that are set and followed by all participants at the outset of a meeting. Conflicts are inevitable in meetings, so we outline the “low-to-high” intervention method of conflict resolution in How to Resolve Conflicts in Meetings. This section also includes several conflict scenarios and, for each scenario, a plan for resolving the conflict, for your reference. In How to Encourage Constructive Discussions and Toolkit|10 Skills to Facilitate Meeting Discussions, you will learn some practical skills for facilitating discussions. The chapter concludes by providing feasible approaches to achieving consensus in meetings in How to Reach Consensus. Finally, as a facilitator, Template| Meeting Design Sheet can be a useful guide in planning for an upcoming meeting.

The Significance of Meaningful Participation

The Story of Gandhi

The first image that comes to the minds of many people when the country of India is mentioned is that of the leader of the Indian independence movement – Mahatma Gandhi. Across India, the nation's citizens celebrated Gandhi and chose to join him in his cause. Employing nonviolent civil disobedience, Gandhi led India to independence from British rule in 1947. Nonviolent civil disobedience was championed by Gandhi as a way to challenge the British colonists by taking a defiant stance, but without resorting to violence. Instead of violence, Gandhi encouraged his followers not to attend any gatherings organized by the colonists, accept British education, buy any British products, or wear British outfits; rather, individuals were encouraged to replace these elements of colonialism with those that supported an independent Indian identity. The revolutionary ideology he created has since inspired other civil rights activists across the world, including Nelson Mandela, who ended apartheid in South Africa, and Martin Luther King, Jr., who advanced the civil rights movement in the United States.

> Everyone in an organization is an expert in some way. Everybody should have the opportunity to participate meaningfully.

Gandhi freed India from Britain's 190-year-long colonial rule over India with his non-violent ideology, and has served as the inspiration for national and international civil society movements around the globe. One may ask how Gandhi began this historic movement. Did he mobilize the public to join in demonstrations? Did he lobby the government? Did he give large-scale public speeches?

The answer is none of the above. His first step was going to the smallest villages and organizing peasants – everyday people – to clean up their own surroundings. Upon returning to his homeland after studying abroad, Gandhi was struck by the poor hygiene in India, so he mobilized the villagers to begin local clean-up efforts. People started to develop an awareness for their environment and also for the fact that, small as their contribution was, they could make notable changes and improvements. By starting small to encourage participation at the local level, Gandhi's approach created opportunities for Indians of all types to participate in a much larger struggle. In recognition of this, on Gandhi Memorial Day in 2014, Indian Prime Minister Narendra Modi launched a nationwide "Clean India" campaign to commemorate this great leader.

"Human rights begin at home."

Today, the idea of meaningful participation is the foundation of Asia Catalyst's idea that "human rights begin at home." Before we can bring change to society as a whole, we first need to model the changes that we want to see within our own families, communities, and organizations. From this comes the concept that before conducting advocacy to change our cities, provinces, or our country, we first have to make sure that our organizations reflect the changes that we want other people to make. One way we do this is by giving everyone – from community members, to staff, to the person who cleans our office – an opportunity to meaningfully participate in our work.

Meaningful participation in the field of public health

Asia Catalyst works to protect the rights to health of Asian marginalized communities. Most of our community-based organization ("***CBO***") partners are from health-related fields. Therefore, in the coming section, we will look at meaningful participation in the field of health and through this example see its significance and commonality in practice.

The GIPA Principle

Please recall an experience where a policy or program that affects your life was formulated without your participation or input. What was the situation like? How did it make you feel?

The Greater Involvement of People Living with HIV and AIDS ("***GIPA***") is a principle that aims to realize both the rights and responsibilities of people living with HIV ("***PLHIV***"), including their right to participate in decision-making that affects their lives and the right to self-determination. AIDS activists have fought hard to have a voice and to be able to participate in designing the policies and programs that impact their life and treatment.

The idea of greater involvement of PLHIV was first voiced by PLHIV in Denver, the United States, in 1983, and the GIPA Principle was formalized at the 1994 Paris AIDS Summit, when 42 countries agreed to support the movement.

"Nothing about us without us"

This slogan was first used more than 500 years ago. It was the political motto that helped establish Polish constitutional legislation that transferred governing authority from the monarch to the parliament. It subsequently became an axiom of democratic norms, adopted in the American Revolutionary War and used as a principle of Hungarian law and foreign policy. In the 1990s, "nothing about us without us" came to be associated with the disability rights movement. Eventually, the slogan became popular among other marginalized communities, including sex workers and PLHIV. The motto is built upon the principle of meaningful participation. For decades, disability groups utilized the phrase in their movement to strive for equal participation in social matters. Now it has become a unifying call for people around the world who are fighting for the right to participate in the programs and policies that affect their lives.

Meaningful participation has been evidenced in many types of activities. For example, inclusive courses for people with disabilities, a barrier-free society, and anti-discrimination laws aimed at universal access to services and public lives.

Meaningful Participation and Meeting Facilitation

Meaningful participation is closely related to meeting facilitation—whether or not your staff and volunteers can participate in your organization's work depends in large part on how you facilitate meetings.

"Meetings" not only refer to monthly meetings within an organization or special meetings with people outside of your organization. Meetings also include various other situations, such as meetings for organizational strategic planning, meetings to draft internal policy, and so on.

In your experience of attending or organizing a meeting, have you seen meeting participants as passive receptacles of knowledge or do you engage your staff and volunteers as active participants and learners? Take a few minutes to compare the pictures below. What words would you use to describe each way of teaching?

Teaching Method One

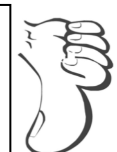
Teaching Method Two

The picture on the left describes a typical "banking model" of education. Participants do not accept knowledge voluntarily; rather, the teacher instills it in them, like filling a jar with coins. The picture on the right, on the other hand, describes a scene of participatory learning, where all participations are engaged in discussions and study in an equal manner.

As a facilitator, your role in these two methods of teaching is sharply contrasting and different. In the banking model, you dictate decisions to participants and issue directions. In participatory learning, you engage participants in discussion and actively solicit their participation and input.

We can use the following words to describe the two methods.

Participatory Learning	*Banking Model of Learning*
• Positive	• Negative
• Participatory	• Non-participatory
• Democratic	• Hierarchical
• Peer-led	• Leader-led
• Encouraging questions	• Discouraging questions
• Value opinions from the community	• Expert opinions only



The idea of participatory learning may differ from the education style to which you are accustomed. Many schools are based around the idea that students are receptacles and teachers must merely fill them with knowledge. In this way, meetings are no different from classes – where the facilitator simply lectures and attempts to deposit knowledge into a passive participant; the meeting is generally neither productive nor interesting. Instead, good meeting facilitation should encourage the active participation and inclusion of everyone present. Producing social change and running a successful NGO require a different idea of learning and participation – to be successful, they require inclusive, participatory, and active learning.

Role-play: "Hand in your phones."

When mentoring a group to learn the importance of meaningful participation, this role-play can help participants experience the idea and understand its importance.

Steps:

1. When all participants return from their break, the facilitator will announce that they must hand in their mobile phones. We have found many participants check their phones throughout the sessions before the break, and this has an effect on the results of the learning process. So as not to affect the lessons, we have decided that everyone must temporarily hand in their cellphones. Everyone can retrieve their cellphones during the tea break.
2. After collecting everyone's mobile phone, the facilitator explains this session is a role-play, and that we are looking forward to hearing participants' feelings and opinions on the subject.
3. Invite the participants to share if they had similar experiences while making decisions in their organizations.

Compare successful and unsuccessful meetings

You have undoubtedly already experienced many meetings of all kinds. However, you have almost certainly not enjoyed all of them. Before talking about how to facilitate a successful meeting, we will have two brainstorming exercises. For both brainstorming exercises, it is important that you think of concrete examples of your experiences. You do not have to use names, but please include details about what happened, how that made you feel, how you reacted, and anything else that was important for this experience.

First, think back on a particularly bad or boring meeting in which you participated. What made it bad? What made it boring? Take notes in the blank space below.

Second, think of a particularly good meeting. What made it good? How was it different from an ordinary or bad meeting? Take notes in the blank space below.

Based on our experience, some of the elements that differentiate a successful and unsuccessful meeting are listed below. How do these items compare to the examples you listed above?

Successful meeting	*Unsuccessful meeting*
• Clear agenda • Punctual • Active discussion • Introduction of new ideas and concepts • Encourages participation • Everyone can speak • Decision-making • Interesting and inspiring	• Not punctual • A lot of sidebar conversations • Endless discussions • Conflicts (*e.g.*, personal attacks) • Only some participants speak • Lack of new information

Facilitator's Responsibilities

Given the elements described above, the facilitator largely determines whether the meeting is successful or not. Good facilitators use a few key skills to ensure the participation of everybody and the overall success of a meeting.

The facilitator's responsibilities include:

- Asking the advice of staff in making meeting agendas;
- Organizing the meeting and setting meeting ground rules (you can refer to How to Set Meeting Ground Rules);

- Introducing topics and the background;
- Making sure the meeting proceeds and encouraging people to participate;
- Resolving conflicts (you can refer to How to Resolve Conflicts in Meetings);
- Refraining from imposing his or her own ideas on the whole group;
- Leading participants in reaching a consensus (you can refer to How to Reach Consensus).

Setting ground rules for meetings

First and foremost, we must think about ground rules. What are ground rules? Why do we need them? Why are they important?

Ground rules

Ground rules guide people to behave properly during the meeting and are the rules that must be acknowledged and made by all participants. They aim to make sure meetings are conducted smoothly and effectively. Ground rules may also be a venue for participants to increase their meaningful participation. The rules should be made at the beginning of each meeting and placed where everybody is able to see and follow them.

Ground rules apply to everybody to ensure equality and fairness. The rules do not only apply to participants – facilitators must also observe the rules that he or she participated in making. If the facilitator forgets the rules, participants should be encouraged to remind the person. Ground rules aim to increase participation, create a positive meeting atmosphere, and set clear expectations for all.

Materials List
1. Flipchart Paper
2. Index cards
3. Blu-tack or tape
4. Markers

If a series of meetings have the same participants, ground rules may be set at the outset for the entire series. Nevertheless, in later meetings, participants should be given the opportunity to review the rules and discuss if anybody wishes to make any changes.

Ground rules setting exercise

Steps:

1. Explain what ground rules are and why we need them;
2. Give everyone two index cards and ask them to write two ground rules that they think the group should follow;
3. Go around the room and ask each person to share their rules *and* to explain why they think the rule is important;
4. Have one facilitator or trainer take notes, writing down each new ground rule on the board;
5. After everyone has listed her/his words, open the list up to general discussion. "Is anything missing?" "Do the rules make sense to everyone?"
6. When everyone agrees on the rules, ask "what happens if someone violates one of the rules? What should the consequences be?"
7. Let people share their thoughts, and the facilitator or trainer takes notes on the board;
8. After everyone has expressed their ideas, have a round of votes on the disciplinary measures brought up by the participants; if people have disagreement, then throw the question back to the discussion until one or few best disciplinary measures are chosen;
9. Put the ground rules and disciplinary measures in a place where everyone can see them, once the group has reached consensus.

Notes

Everybody should participate in setting the ground rules; allow each person to raise suggestions, and write down their suggestions on a place where everyone can read; If anyone in the group has questions on any rule, the group should discuss the rule again.

In addition to the established ground rules, there are many other rules that may arise in a meeting. Please think about past meetings, what could have been avoided by setting ground rules but you did not?

In the course of a meeting, remind participants of the ground rules every now and then. For example, if you notice someone keeps interrupting others when they are speaking, then you might say: "as a reminder, we have agreed that we shouldn't interrupt others during a speech – as you can see on the rules written over here!"

Example Ground Rules

1. Be punctual.
2. Participate actively.
3. Listen to others.
4. Respect new or different views.
5. Do not interrupt or have sidebar conversations during others' speeches.
6. Avoid demeaning and aggressive words.
7. Only discuss items on the agenda.
8. No smoking.
9. Turn off your cellphone.

How to resolve conflicts in meetings

Even when facilitators set ground rules, meet all of their responsibilities, and create opportunities for meaningful participation, conflicts will sometimes arise. Conflicts are an inevitable part of working with others and it is the facilitator's job to handle them adeptly.

How to use case studies

When introducing different scenarios in meetings or trainings, you can lead everyone to discuss the first one or two cases, and break the participants into several small groups and discuss the rest. For each case study, participants need to pay attention to what the concrete measures and lessons are. We must also remember to think about what to do before and after the scenario. At the end of this chapter, there are some tools to describe how to work long-term to avoid such scenarios as much as possible, as well as how to strategically respond to these situations as they occur.

The "Low-to-high level intervention" method

The approach that we recommend you use when handling conflicts is called the "low-to-high level intervention" method. This method says that when a problem arises, you should start with the least threatening intervention first, before moving on to more serious interventions.

We see this, for example, in parenting. When young children do not listen to their parents, the first response of parents is usually to comfort, talk, and pacify them, before resorting to a more serious punishment such as scolding. In even more serious situations, parents may escalate the intervention, choosing to ground the child or even adopting corporal punishment (we do not recommend this, of course).

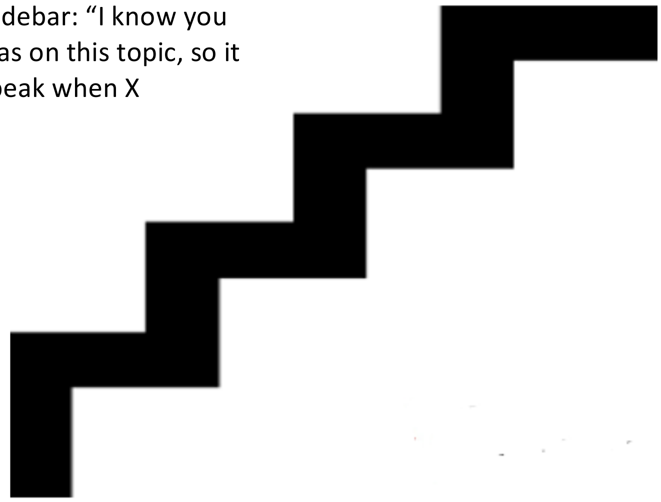
Another way to think about this is a staircase. Low-level interventions are at the bottom of the stairs and should therefore come before mid-level interventions halfway up, with high-level interventions at the top. In the coming section, we will explain this method with a few examples.

Scenario One: Sidebar conversations

High-level Intervention: if one person has done this multiple times, then have a one-on-one talk with him or her during break. If many people are having sidebar conversations, then ask "does everyone need to take a little break?"

Middle-level Intervention:
To those having the sidebar: "I know you have questions or ideas on this topic, so it will be your turn to speak when X finishes."

Low-level Intervention:
To everyone: "please note that we have agreed on the ground rules that we will only have one discussion at a time." Alternatively, give a hint through eye-contact suggesting "one conversation at a time."

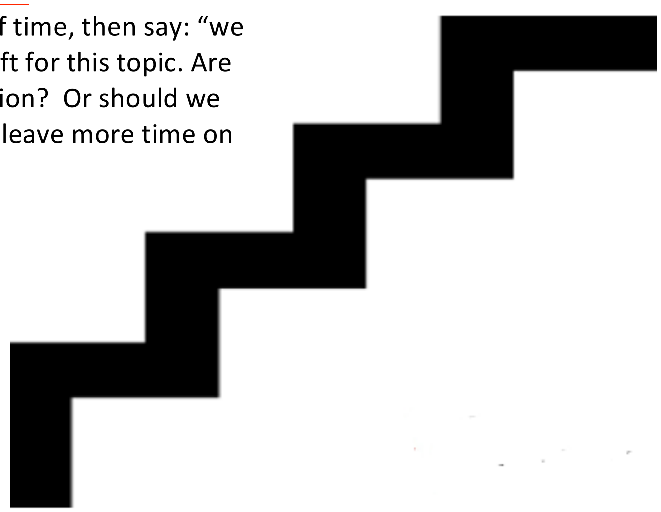


Scenario Two: Off-topic conversations

High-level Intervention: if there are only 30 minutes left, but the to-do list is very long, then interrupt the conversation and say: "we only have 30 minutes left. Should we move some topics to the next discussion?"

Middle-level Intervention:
if you are running out of time, then say: "we only have 10 minutes left for this topic. Are we ready to make decision? Or should we change the agenda and leave more time on this topic?"

Low-level Intervention:
point to the ground rule "stick to the meeting agenda"; suggest they can talk in the free time; or, tell everyone: "we are now discussing item 4 in the agenda. Let's discuss 5 when we finish this one."

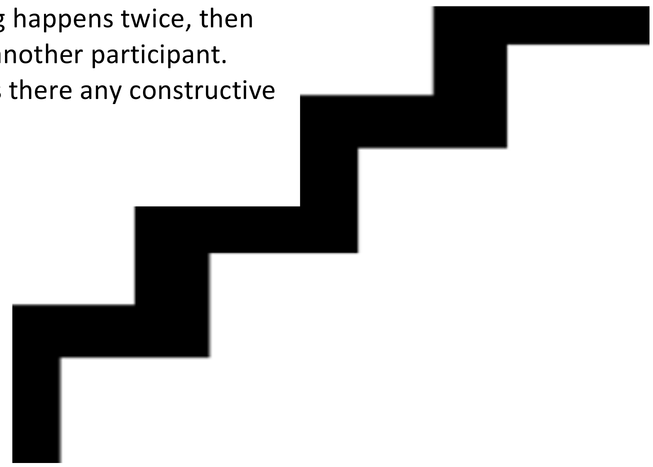


Scenario Three: Personal attacks

High-level Intervention: if the same thing happens three times, then have a break. Ask for a one-on-one talk with the person at fault and tell him or her that bringing in personal emotions to meetings is not appropriate, that he or she needs to focus on meeting goals and that dropping out of the meeting or not is his or her choice, but no matter what, he or she cannot attack other people.

Middle-level Intervention: if the same thing happens twice, then say: “X, this is not your first time attacking another participant. Our ground rules require mutual respect. Is there any constructive opinion you wish to share on this?”

Low-level Intervention: after the first occurrence, say: “in the ground rules we have mentioned ‘respect each other’” and reiterate ground rules. Alternatively, say: “let’s set aside personal views and focus on raising constructive suggestions.”

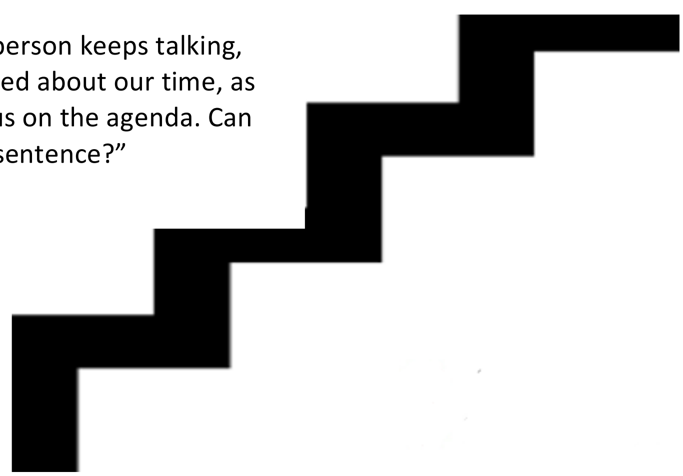


Scenario Four: People are talking for too long, regardless of whether people are listening

High-level Intervention: if this person does this repeatedly, then have a one-on-one talk with him or her during the break. Let the person realize that his or her behavior has affected progress towards the meeting’s goals. Ask the person to cooperate and make sure the meeting goes as planned.

Middle-level Intervention: if this person keeps talking, you can say: “I am a little bit worried about our time, as there are more items waiting for us on the agenda. Can you summarize your point in one sentence?”

Low-level Intervention: say: “I am sorry to interrupt, but I am not sure how this relates to our topic. Can you be more specific?”



Scenario Five : Some people are used to speaking a lot in meetings, for example, older men, while some others are hesitant to speak, for example, young women. What should you do?

Please think for a few minutes and write down your thoughts. Categorize your ideas into low, middle and high degree interventions. At the end of this chapter, we have provided sample measures to cope with this situation.

Low-to-high Intervention

Facilitators need to choose intervention tactics carefully according to the audiences; for example, if you are facilitating workshops with participants from transgender communities, then make sure your intervention is trans-sensitive and not offensive to trans people. If the group is quite new and people don't know each other very well, then facilitators should start from the intervention that people are comfortable with. The facilitators also need to assess the situation that need to be intervened: whether it needs immediate intervention or not; for instance, if two people engage into a physical fight at workshop, then facilitators need to stop the fight regardless of the degree of the intervention. In a word, the facilitators should use low-to-high interventional where possible, and more importantly, adjust the intervention methods based on the participants' situation, groups' dynamics and each incident.

How to encourage constructive discussion

In the previous sections, you have learned how to prepare for a meeting, how to set ground rules, and how to resolve conflicts using “low-to-high intervention” methods. But how can you create an environment for active discussions and the full engagement of participants? Successfully facilitating a meeting means not only solving conflicts and setting fundamental rules, but also means inspiring your staff or volunteers to think creatively. Here are some suggestions and methods to promote constructive discussions.

Create a Harmonious Atmosphere

To create a good atmosphere, the first step is to break the ice. The basis for constructive discussions is that participants are at ease. If people do not know each other very well, it is very difficult for participants to feel comfortable and to have constructive discussions.

Here are two popular ice-breakers for meetings:

1. ***Pair Introduction***：Before the meeting, pair participants up and ask people to interview their partners, getting to know their background, hobbies, etc. Then ask the participants to introduce their partner in front of everyone.

2. ***Finish the Sentence:*** Distribute some incomplete sentences to participants and ask them to fill in the blanks. Choose some easy and not so serious topics, for example:

    - If I were prepared to risk everything, I would…
    - If I could live anywhere in the world, I would move to…
    - The best gift I have ever received is…
    - The best gift I have ever given to someone is…
    - I am an expert at…

Methods for Promoting Constructive Discussions

1. Participants are less inclined to discuss because they worry about giving the wrong answer. So, avoid questions with only one answer (*e.g.*, "yes or no" questions) as they may kill the discussion.
2. Participants are less likely to speak after the facilitator has shared his or her ideas. Before expressing yourself, ask for input from everyone. Throw questions back to the participants.
3. Compared with speaking in front of the group, some participants prefer less-pressured group discussions. Before the meeting, try to pair people up or break them down into smaller groups to discuss and then invite a speaker from each group to summarize.
4. Some participants prefer to organize their thoughts before speaking. Before or during meetings, distribute some simple writing or thinking tasks, leaving some time for them to prepare before inviting people to share.

Discussion Prompts

Creative and effective discussions rely on helpful "prompts". What are prompts? They are questions, topics, images or incidents that you want participants to consider and respond to. Prompts work to provide specific discussion points for the participants. The following are some methods to prompt discussions:

1. ***Respond to Headlines***: provide (or ask the participants to provide) a work-related news headline, and ask people to read and discuss the relationship between the news and their work. You can also use images, music, sound bites, or video clips.

2. ***Share Strengths*** : Everyone in an organization is an expert in some way. Invite staff or volunteers to present on their specific fields and experience. This will not only build public speaking skills, but also demonstrate their value to others in the group. In Asia Catalyst, we usually hold lunches to have staff and volunteers share their strengths. If a member of your organization has participated in external trainings or conferences, you can also invite them to give a presentation on what they have learned.

3. ***Situational Hypotheticals (What would I do if…)***: Participants can discuss situational hypotheticals, which can provide training for scenarios that might actually arise for the organization in the future. Participants can brainstorm about the impacts of the hypothetical situations and how the organization should best cope with these effects. Set forth below are some hypotheticals relating to Chinese HIV/AIDS prevention and treatment work:
    a. What if the Global Fund leaves China?
    b. What if our landlord terminates our lease and asks our organization to move?
    c. What if your contact in the local CDC is fired?
    d. What if there is a global economic recession and international donors cannot continue supporting the organization?

4. ***Scenario Response***：Scenarios do not have to be purely hypothetical. You can ask the participants to brainstorm on an actual work-related situation or a typical scenario that has arisen in the past. Scenario settings may also be situations through which your peer organizations have worked. The scenarios below come from complicated situations in which Chinese NGOs have been involved:

   a. Scenario 1：A large company offers you a substantial grant, which can double your annual budget and increase your access to your programs. However, this company has been under media scrutiny recently for unethical business practices. Further, one of the board members of the company is asking for a board seat on your organization in return for their donation. Would you accept the donation?

   b. Scenario 2： A peer organization suggests a cooperative program between their organization and yours. They have a large research grant and hope that you can help them conduct community research. You have never worked with the executive director of this organization, but you have heard from others that she is a difficult person. Would you agree to cooperate?

   c. Scenario 3: Your organization is quite small and unknown, but over the past few years your reputation has grown among your peers. CNN, a famous U.S. news network, has heard about your work and has offered to make a television special about your organization. This opportunity is beneficial for your advocacy and fundraising work. However, it may pose some risks as well. What are the costs and benefits of such a program? What are the risks? Would you accept the invitation?

5. **Role-play exercise**: Role-play is similar to the scenario response exercise, the main difference being that in role-play, you assign a specific role to a person and ask him or her to act out the scenario. This exercise can encourage participants to adopt a brand new perspective to understand others' viewpoints. Role-play is also helpful for you to consider some important stakeholders (for example, police, government partners, and the media) and their responses to your work. Here is an example of a role-play exercise:

    a. ***Role-play Scene***: You work for an NGO called Friend of Greenlands, whose mission is to help victims of environmental pollution. Two years ago, a factory moved into the Greenlands Village, where you live, and the villagers started to complain that the water was so polluted that it could no longer be used for irrigation. Children in the village began to get sick and were forced to miss school. In order to call attention to these issues, your organization plans to hold a photography exhibition, featuring photos documenting the pollution problem. How will each group or stakeholder in the community react to this exhibition? (Ask each participant to choose one character from the box to analyze.)

Health Bureau	The Manager of the Factory
Parents	Workers at the Factory
Village Officials	Major Donors to your Organization
Industrial and Commercial Bureau	The Department of Education
Media	Farmers

We do not use these scenario discussions, role-plays, writing assignments, and other tools arbitrarily or for their own sake. These exercises provide opportunities for valuable input and discussion. In addition, they give organizations a chance to evaluate which staff members or volunteers contribute the most to meetings, who needs more encouragement, who comes prepared, and who should be paying more attention to their responsibilities. These are valuable tools both for promoting creative and meaningful discussions and for evaluating the strengths and weakness of your staff and volunteers.

Reach Consensus

Having disagreements in a team environment is inevitable. One of the most challenging responsibilities of a facilitator is helping a group reach consensus in order to make a decision on tough, controversial issues. Even facilitators that deftly solve problems that commonly arise during meetings may find themselves unable to reconcile different viewpoints among their staff and volunteers.

Before we begin, please think about two questions:

1. Have you ended an argument with "we will agree to disagree"? What was the result?
2. If you and your teammates have a disagreement, is there a better way to reach consensus than "agreeing to disagree"?

> Recognize that it is okay if your personal views are different from the consensus view reached by your organization. Sometimes you may personally feel that your organization should be doing more, but as an organization you recognize that your current capacity is limited. What you believe as an individual may not always be exactly what your organization agrees to do. Recognizing this difference can be especially hard for executive directors of organizations.

"Agreeing to disagree" might be okay with people who you do not know well, but it is not an option at a small

NGO when you need to make a decision on an important matter. Please remember: you should never end a meeting with everyone in disagreement. In order to work together, especially in smaller organizations, it is important to have shared goals and a shared sense of responsibility.
At the same time, it may not be possible to reach 100% agreement. What can you do in this case?

One way is to find the "lowest common denominator" or areas of commonality or overlap between different viewpoints, even if they are small. From small areas of agreement, you can work to build consensus or reach a decision that people can agree with, at least in part.

Role-playing Exercise

> In this exercise, every group has to practice setting ground rules, conducting constructive discussions, dealing with disagreements or other issues (for example, people are not providing input), and reaching a consensus.

Reaching consensus can be especially difficult when your organization faces a decision about its mission or future direction, as in the scenario we will discuss next. You may encounter a similar situation when working with your staff and volunteers to create a strategic plan for your organization (refer to How to Make a Strategic Plan). Some people may want to develop your work in one direction, while others may want to move in a different direction. Consider this role-playing exercise practice for facilitating the strategic planning meeting you will learn in the next chapter.

Read the following scenario and, if there are more than ten participants, divide into groups of five. Each group will select one person to facilitate the discussion; the other four people will role-play staff members, volunteers, or other meeting participants. By the end of the discussion, your group must reach a decision on whether or not to accept the grant and start a new program. You can cut or increase roles, as necessary.

> ***Scenario:*** You are working in an NGO called Children Treatment Support. The mission is to provide HIV/AIDS treatment, social support, and education for affected children in Anhui Province. Lately, you have found that most donors are interested in funding primarily to Prevention of Mother-to-Child Transmission of HIV (PMTCT) programs. PMTCT is also a hot topic in the field of pediatric AIDS. Therefore, treatment, social support, and education are receiving less and less funding. Your organization has just been contacted by an American foundation – The Elizabeth Glaser Children HIV/AIDS Foundation, which would like to fund your new program.

However, some of your colleagues worry that your organization will drift from its original mission if you take this grant.

Before discussion, you can think about the questions below:

1. What are the benefits of taking this grant?
2. What are the risks?
3. How will you make the final decision on whether take it or not?

Give participants 45 minutes to discuss in groups, and then invite one person from each group to report their discussion. The speaker must be chosen from the ones who did not facilitate the group discussion. Speakers' reports should cover the following:

1. Has your group reached consensus? What was your final decision?
2. What was successful in your discussion?
3. What could have been improved in your discussion?
4. Are there other questions that arise from your discussion?
5. How was this role-play different from real life discussions within your organization?
6. What are the similarities between the problems that occurred in the role-play and the problems that arise in similar scenarios at work?
7. What would you do differently if you were to have the same discussion in the future?

SAMPLE | HOW TO RESOLVE CONFLICTS IN MEETINGS

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Note: This is a sample low-to-high intervention plan for the fifth scenario in How to Resolve Conflicts in Meetings for your reference.

For Quiet Participants	For Overly-Active Participants
Encourage new staff, female staff, or other quiet staff to speak first at meetings.	Interrupt the person if he or she is dominating the conversation, and ask for others' opinions.
Pre-meeting preparation to create an equal and tolerant environment.	Assign other roles to the ones who speak a lot, for example, notetaking.
Understand each individual's needs and qualities; for instance, some have never participated in meetings like yours, thus they may need more encouragement.	Ask them to summarize issues.
Take turns facilitating meetings.	If a person keeps talking, you can say: "I am a bit worried about our time. Can you summarize your main points in one sentence?"
Inform staff and volunteers about the meeting agenda, provide them with homework, and ask them to report at meetings.	Break the meeting down into smaller groups and put all of the dominant participants into one group, which can help them realize their problems; report by groups.
Some volunteers may not understand the situation clearly, so ask staff to share relevant experiences with the volunteers.	
Have private conversations with the quiet people to ask their opinions on the contents of the meeting and why they have not been participating. If a person is not willing to speak voluntarily, the facilitator may voice the person's opinions on his or her behalf.	The facilitator should limit discussion by frequent speakers and adjust topics to motivate the quiet ones in order to engage them in conversations.
Invite volunteers to a meeting just for them and ask them to raise suggestions on your organization's work.	Have one-on-one conversations with problematic individuals during a break, letting him or her know that their behavior has hindered the progress of the meeting and the group's ability to reach its goals.

TEMPLATE|MEETING DESIGN WORKSHEET

Note: This worksheet aims to guide facilitators or planners for their preparation for a meeting. You may not need to fill them all out, but the questions listed here are worth considering in planning a meeting.

The goal(s) of the meeting：____

Number of participants：__________________

1. Do participants need self-introduction? Yes/No
2. How can you warm the group up?
3. Does this meeting require special ground rules? If yes, then how can you lead people to lay down the rules by asking them questions?
4. How well do people acknowledge the meeting and the topics to be discussed? If not well, then how can this be improved by asking questions?
5. What background information do the participants need to know beforehand?
6. For the meeting to be successful, what are the key questions you need to ask the participants?
7. What kinds of activities or tools would you like to use in the meeting?
8. What issues may arise during the meeting? (For example: personal conflicts, participants attacking one another, lack of energy, too many action items, the meeting fails to reach an end, the participants lack basic meeting skills, etc.) For each possible problem, make a strategy to conquer it.

Possible Problems	Coping Strategy

9. How will you collect feedback on the meeting from everyone?

Reference: Bens, Ingrid. *Facilitating with Ease! Core Skills for Facilitators, Team Leaders and Members, Managers, Consultants, and Trainers.* 2nd ed. Somerset: Wiley, 2011.

TOOLKIT|5 PRACTICAL TOOLS FOR MEETING FACILITATION

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Note: This chapter has explained skills and methods for facilitators from the aspects of how to encourage constructive discussions, how to resolve conflicts, etc. This toolkit aims to provide some other tools in practice.

1 TAKING STACK	The Stack is a way of arranging the order in which participants speak. In large-scale meetings, one or two talkative participants can easily dominate the discussion. The purpose of *Taking Stack* is to facilitate discussion in which all participants have equal say in a conversation. If a participant raises his or her hand to say something, the Stack Keeper puts them on "Stack" by putting his or her name at the bottom of the Stack list. When the person at the top of the Stack has finished speaking, the facilitator crosses their name off and announces who the next two participants on the Stack are.
2 PROGRESSIVE STACK	In the regular Stack, people speak in the order they were added to the queue by raising their hands. However, in some specific situations, white, male, and older participants tend to speak more than non-dominant groups, including women, non-white people, young people, and other minorities. *Progressive Stack* aims to increase the latter's participation by letting them speak first.
3 PARKING LOT	Non-agenda items always seem to find their way into meetings. It is nevertheless important to acknowledge and recognize the existence of these important non-agenda items. The "Parking Lot" involves recording these issues on paper and sticking them onto the wall, insuring that they will be addressed at the end of the meeting.
4 ROTATION	When nobody volunteers to speak, the facilitator can use the *Rotation* method (Taking Stack addresses the opposite situation, meaning that many people want to speak). It is a simple tool that asks each person to contribute their thoughts. Give participants one to two minutes to think before starting the rotation.
5 OBSERVATION, PRACTICE AND TEACH	*Observation, practice and teaching* is a training tool to develop leadership and facilitation skills among volunteers and staff. Let the person to observe how you facilitate before arranging for him or her to facilitate. Ask the person to be the facilitator, while you observe his or her performance, and then provide directions and feedback to him or her. After his or her facilitation, this person can transfer the methods and experience to the rest of the group. After adopting this tool, you can assign the facilitator role to your staff on a rotating basis.

TOOLKIT|10 SKILLS TO FACILITATE MEETING DISCUSSIONS

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Note：We have talked about how to encourage constructive discussions in this chapter. This toolkit aims to provide some extra practical tools and examples for you to use.

SKILLS	Examples
1 **PARAPHRASE**: Use your own words to reframe what a participant has said, to make them feel that you understand him or her. Paraphrasing is reiterating the idea in another way, while keeping the meaning unchanged.	"So, what you are saying is that we should advance the reform of organizational structure gradually."
2 **DOUBLECHECK**: Check with the speaker whether you have understood his or her meaning correctly.	"Do you mean to say that this plan is unrealistic? I am not sure if I have understood you correctly."
3 **POSITIVE FEEDBACK**: Speak highly of insightful remarks and thank participants for sharing actively.	"The point you just raised is very important. Thank you for reminding us of it."
4 **EXTENSION**: Elaborate on a point with examples or suggest looking at an issue with another perspective.	"Your opinion represents our staff's views. Maybe we will benefit from listening to the community members' opinions on this issue."
5 **SPEED UP**: Warm the group up by speeding the meeting up.	"It seems that many people are tired now! Let's challenge ourselves and think as many solution plans as possible in two minutes!"
6 **STRIKE UP A DIFFERENT TUNE**: Push the discussion to a deeper level by showing slight objections.	"I get your point, but I am not sure what you said is truly representative. Has anybody else have different experience?"
7 **EASE TENSION**: Mediate different views.	"I think Li and Wang's opinion are not contradictory. They just view this issue from different perspectives."
8 **INTEGRATION**: Integrate all views and point out their interconnection.	"We can draw this from everyone's views that…"
9 **CHANGE PROCEDURE**: Try different procedures to help participants to keep involved.	"Let's discuss this in small groups and then discuss the issue together" or "write down your thoughts in two minutes and we can discuss together."
10 **SUMMARIZE**: Summarize major decisions and opinions before wrapping up the discussion.	"It looks like we have reached two decisions today…"or "let's review the main points you raised…"

1. Does an organization’s leader have to speak first? Please explain why you agree or disagree with this.

2. What are the two main tasks of facilitators in preparing for a meeting? Please also consider if your answer applies to different types of meetings or just specific ones.

3. As a facilitator, what would you do if nobody speaks at a meeting? Please list two methods to encourage participation.

4. You are attending a conference with some other organization leaders. In the middle of the meeting, you notice that two people’s conversation begins to get heated. One of them begins to speak louder and louder, while the other one looks very frustrated. How would you intervene?

5. Your organization works to promote cancer prevention among ethnic minority women in a remote rural area. One of the program’s goals is to encourage cervical cancer screening and breast cancer screening. However, many women believe that the test is very inconvenient and unnecessary. In order to empower them with the right to speak and to increase community participation, you started a monthly focus group discussion, inviting local women to participate aiming to build trust with them and listen to their

opinions. By the third meeting, you notice that speakers are only male doctors and that the women are quiet and uninterested. First, what problem does this scenario demonstrate? Second, how would you use the low-to-high intervention method to solve this problem? Please use the diagram below to design your solution plans.

Low-level Intervention：
Middle-level Intervention：
High-level Intervention：

Strategic Planning

Strategic planning is key to the success of any nongovernmental organization, as it defines your position as an organization. Strategic planning involves clearly describing your vision, identifying what you contribute to the work that makes you the best organization to run your projects, as well as laying out your goals and how you plan to achieve them. To help, we have produced a series of handouts and accompanying templates that will lead you in the strategic planning process. You can use each of these handouts alone if you have specific needs, or all together to create a strategic plan.

In the last chapter, we introduced Meaningful Participation and Meeting Facilitation, the significance of which starts to emerge in this chapter—because Strategic Planning requires the input of all staff members. In the strategic planning process, it is important that everyone participates meaningfully. Strategic plans concern everyone and only when consensus has been made can a strategic plan be finalized.

Beginning with the handout **How to Understand Strategic Plans** and **How to Create a Strategic Plan**, this chapter serves as a step-by-step guide through the entire process. It will show you how to make use of the **Template| Strategic Plan Model** in your planning. Further, the **Template| Strategic Plan Peer Feedback Form** can help you gather feedback from peer organizations, staff and other stakeholders. **Example| Good and Bad Strategic Plans** aims to show how to create a strategic plan, as well as some mistakes to avoid. The first step of creating a strategic plan is to communicate with stakeholders to find out the position of your organization. **How to Collect Stakeholders' Information** can help you with this activity. **Toolkit| Stakeholders' Information Collection Questions Outline** provides readers with ideas and strategies to collect the information that is needed. Outputs and outcomes can be very confusing, so we used **How to Differentiate Outputs and Outcomes** to compare these two concepts. While conducting a strategic planning session, you might also want to use the handout, **How to Draft a Vision Statement**. The process of writing a vision statement is an important way to unify and focus everyone in the group on a shared goal. **How to Map the Field** is a group exercise that will help you identify the added value your organization provides, relative to other groups working in the same field. We have also provided **Example | Mapping the Field**, so you can see an example of what your map should look like.

Basic Principles of Strategic Plans

Strategic planning requires taking a thorough look at:

- Who you are as an organization — your resources, capacities, advantages, disadvantages, etc.
- Your operating environment — your clients, supporters, opportunities, threats, etc.

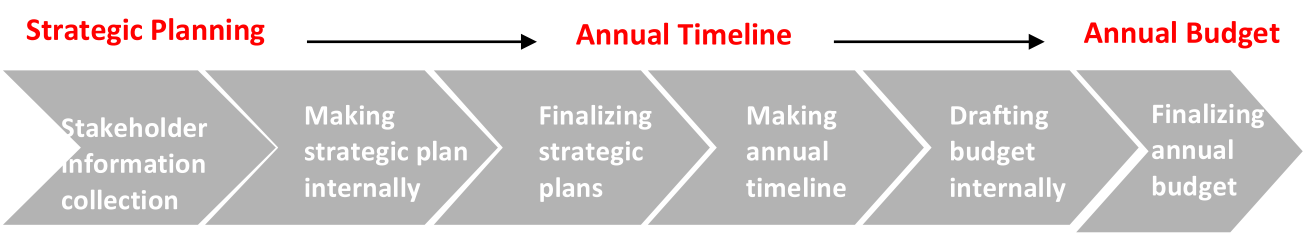
Once you know where you stand, you may start creating your vision for the future and assembling a strategic plan for achieving that vision.

Now, how can we understand the term "strategic plan"?

Nouns	Verbs
• The most **important document** for an organization; • Defines **who** you are, **what** you want to realize, and **how** you want to realize it; • Connects your **work** and your **vision** together.	• **Developing** and **translating** strategic thoughts into a written document; • **Reaching consensus** among all staff and volunteers; • **Assessing** the organization's capacity and making tough decisions for its development.

The Importance of Strategic Plans

- ✓ A strategic plan can help to prevent mission drift, by serving as a guide by which you can assess whether your current work is helping you realize your final vision.
- ✓ A strategic plan can strengthen your program management skills. The plan is not an end in itself, but is actually a tool that serves as the foundation of strong program management. For example, you can use your strategic plan to create timelines and budgets.



- ✓ A strategic plan can clearly describe what you are *not* going to do. Small NGOs have very limited resources; therefore, they cannot do everything at once or do everything that they want to do, so they have to make choices. Strategic planning can help us make these choices by identifying priority areas and what needs to come first.
- ✓ A strategic plan can bring your team together. Strategic planning is not something that the director of an organization does alone. Instead, it is a process that requires the *meaningful participation* of all of your staff to complete. Why? If you complete the plan alone, your staff and volunteers may not buy into it. You want to solicit everyone's opinions and participation when deciding the future direction of your organization:

	Without A Strategic Plan	Leader Makes the Strategic Plan	All Staff Make the Strategic Plan
Strategic thinkers	Not clear	Leaders	All staff
Input to Strategic Planning	Low	Medium	**High, but controllable**
Output of Strategic Plan	Stays around the changing strategic thoughts in mind	Strategic plan with strong characteristics of the leaders	**Plan document that combines the thoughts of all of the staff**
Strategic Direction	Not specified, easy to drift, do whatever comes to mind	Specified, but it costs a lot to communicate with the staff	**Leaders and staff reached consensus, won't drift easily**
Input of Staff	Quite lost	Obedience	**Commitment**
Strategic Actions	Disordered	Weak, resistance and simply obeying	**Strong, high participation of staff**

Collection of Stakeholders' Information

Collecting stakeholder information should be discussed with the **organization's members together**. There are many variables for each organization, such as background, structure and working fields, so different organizations have their own unique set of stakeholders. After you have your stakeholder information, you can move on to the next step of strategic planning.

In the last section, we learned that strategic planning is good for an organization's development. However, before we discuss strategic planning, we must consider what are the main reasons why organizations are able to work effectively over a long period of time.

The answer is: **satisfaction**! But whose satisfaction?

Stakeholders. These stakeholders include:

- Individuals or groups who have important interests based in the organization's decisions and activities;
- Stakeholders may be people working in or outside the organization, such as community partners, donors to the organization, and government departments.

How can an organization ensure that stakeholders are satisfied? We have to identify them and clearly know their needs.

Steps to collect stakeholders' information：

1. Divide all staff an participants into two grou

2. Have the two grou brainstorm by writing dow stakeholders on a flipchar For example, for an NG working in the field health, their stakeholde may include：

    - The target populatio and people who are close with the target population, such as family members and social contacts
    - Staff and volunteers;
    - Health service providers (government-owned and private);
    - Competent Business Authorities or Governing Unit
    - Donors
    - Partners (NGO and CBO);
    - People in their network.

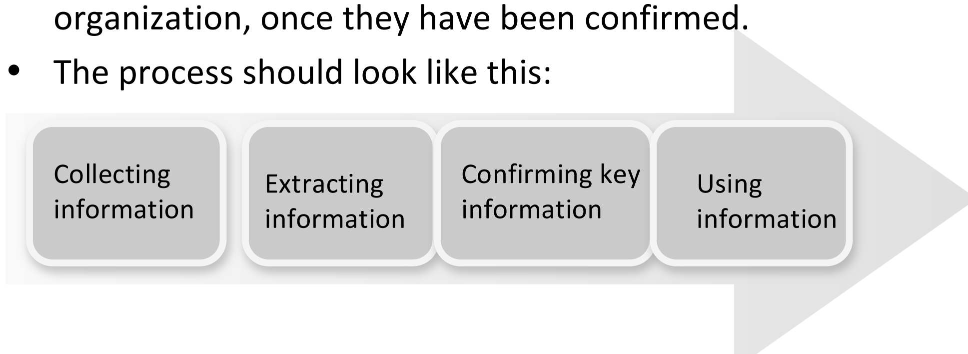
Notes

- ☑ Collect at least **TWO** sets of information from each stakeholder category;
- ☑ Make sure that you get the answers that you need;
- ☑ Clearly understand the information from stakeholders;
- ☑ Give stakeholders enough time to think about your questions;
- ☑ If the stakeholder is having trouble answering the question, try asking it in another way;
- ☑ Hire someone outside of your organization to conduct the interview, if possible; the interviewer should know your organization very well but be neutral throughout the process.

3. After the discussion, invite groups to share their answers with each other; then brainstorm what information you need to get from the stakeholders and write those ideas on the flipchart, which may include:

- Their thoughts on your organization's work;
- Expectations for your organization;
- Suggestions and opinions for your organization;
- Possible support that they could provide your organization.

4. After deciding what information you want to collect, begin information collection. How can you do this?
    - Questionnaires, group discussion, one-on-one interviews, etc. In our experience, we have found that one-on-one interviews can be the best method. Interview questions are included in the **Toolkit**, for your reference;
    - When collecting information, try to categorize stakeholders into different groups and design individualized question outlines for each group. For example, you can categorize them based on how close your organization is with the stakeholders or based on different types of support they can provide. How you categorize your stakeholders depends on your particular situation;
    - The design of question outlines should be determined by your goals. Please refer to **Toolkit| Stakeholders' Information Collection Questions Outline**;
    - After finishing collecting information, the organization should extract key information from what you have, because there may be a significant amount of extraneous information collected during your communications with stakeholders. It is therefore necessary to narrow your collected information down to the points that will be most useful to your organization, once they have been confirmed.
    - The process should look like this:



What is mapping the field?

The exercise of mapping the field asks participants to think about other organizations, institutions and actors in their field and the resources that these groups can potentially provide. When mapping the field, we are thinking about all sorts of resources the organization has.

Materials List

- ☑ A stack of index cards
- ☑ Pens or pencils
- ☑ 2 pieces of flipchart paper
- ☑ Markers
- ☑ A big table

The Significance of Mapping the Field

Why should you spend time mapping the field? There are three reasons:

Discussion Points

- ☑ What service do we provide that other organizations are already doing (as well or better)?
- ☑ What do we do that no one else does as well?
- ☑ What is unique or special about our approach?
- ☑ Is there a service that no-one is providing, but that we are well-equipped to provide?
- ☑ Is there a "space" that we should move into?

1. Find out your added value. It is pointless to duplicate work that is already being done by others. If you only repeat research or work that other groups are doing already, you will have to compete with them for both funding and attention.

2. Assess the resources at your disposal. Through mapping the field, you will be able to see how many other organizations already work on the issue, and what your added value can be. This information can also help you decide whether or not you need to or want to partner with another group for specific projects. Mapping the field can help your organization see which donors, international NGOs and academic institutes focus on the same issue, which is helpful for discovering potential donors and partners.

3. Stake your claim. The first question donors and other people to whom you take your report will ask is, "Have you spoken with [X group]? I hear they are working on the same issue." If you have to tell them that you have not spoken with X group, you will look inexperienced and uninformed. By speaking to other groups, you are also letting them know that your organization plans to join the field.

Process

1. The group should come up with a list of organizations working in your region that provide related services or other organizations that can potentially provide support to you (for example, other NGOs, government and UN agencies, charities, academic institutes and experts).

2. Then, think about all resources needed (for example, funding, technical support, office space, information, permission from the target community, research, media support and legal support).

3. Now, members of the group should take a stack of index cards and write the names of each organization on a card. These can be local organizations or international ones. For instance, if you are working on HIV/AIDS prevention among men who have sex with men (MSM), you may have one section of the table for other MSM groups in your region, one section for academics researching MSM, one section for

HIV/AIDS groups working with sex workers (some of whom are MSM), etc.

4. Put your organization's card in the middle of the wall. Put the cards with the names of other organizations around your organization's card in any order you like as long as they are all on the wall.

5. Now put the similar organizations together, sorted by topic or field (for example, all government departments together and all academic institutes together).

6. You can add notes on the cards about what resources or programs each organization offers.

7. When you are done, rearrange the cards and put organizations that provide similar resources together (for example, with all training organizations together, all foundations together, and so on).

Create a strategic plan

Update Regularly
The strategic plan should be a living document. For small groups, we recommend creating a plan annually and updating it every three to six months.

The strategic plan is the most important document of your organization. It clarifies how your everyday activities tie into your vision for the future. When it is done, you should print it out and look at it every day.

It is possible to spend a great deal of time creating a strategic plan. The approach described here is simple and easy to implement. Following these guidelines, a small group can quickly create a workable plan and begin implementing it immediately. Larger organizations may need to spend more time in preparation and planning.

The Basics
Set aside time to discuss for at least a few hours or a day. Ask everyone to turn off cell phones and stop checking email, and post large sheets of paper up on the wall where you draw the plan. Ideally, it's best to have an experienced facilitator from outside the organization run the meeting, as she or he will be more objective and can help to resolve any conflicts.

Preparation

Your organization should prepare for the planning meeting by considering the information collected from your stakeholders. Analyze what they see as the major strengths and weaknesses of your group's approach, as well as the greatest opportunities and risks to your work. You may not agree with all of their comments, but this consultation will give you a clearer picture of how others see your work.

Based on this input and feedback, you should be able to identify a few key issues that need to be addressed in the planning process. You may even want to invite one or more stakeholders to participate in the planning meeting and share their thoughts with the entire team.

The Process

Everyone, including the board, staff and volunteers, should provide input into your organization's plan. This is a chance for everyone to agree on the shared goals of your organization, and for individuals in the organization to understand why everyone should work together as a team for the rest of the year. It is also important because if we want to build a more just and egalitarian society, we have to begin in our own organizations, by valuing and respecting every individual's right to participation and right to freedom of expression. Useful ideas can come from every part of the organization.

Begin the planning meeting with a discussion about the current environment for your organization's work. Ask someone to present briefly on any major new developments, such as significant policy changes that affect your work. Have someone else sum up, either in writing or verbally, the programs from the past year and what the organization's experience has been with them. This provides some background so that planning does not happen in a vacuum.

The Logic Model

Before creating your strategic plan based on Asia Catalyst's logic model, you need to know a few key points about this tool:

1. First, note that the Logic Model has five parts: vision, outcomes, outputs, actions and resources. Note also that these parts represent different periods of time. The vision statement is 20 years into the future, outcomes are 5-10 years into the future, outputs are 2-3 years into the future, and actions occur in the present, or the current year.
2. Second, when we read books, we typically read from left to right. But when we use the strategic planning logic model, we read from right to left. We start with the vision statement and work backwards to outcomes to outputs to actions and to resources. The sequence in which we read the logic model is important.
3. The logic model is a conceptual tool that helps you visualize your strategic plan. With it, you can draw the connection from your organization's resources, actions, outputs and outcomes to the ultimate goal that your group wants to achieve in your community, the vision. It is a good way to assess your programs.

VISION I 20-Year Goal

This is the ultimate vision of your organization, the thing that motivated you to start doing this work in the first place. It should be even simpler than your mission statement: a short, clear statement of only one or two sentences that describes what you hope will be the end result of your work. It should be ambitious and inspirational. Good examples: "End homelessness in Beijing," "All courts in Indonesia sentence drug users to rehabilitation, not prison." Make sure you have consensus in the entire organization about this statement. If people find it difficult to come up with this statement, ask them to visualize a world in which your group's work is no longer necessary, and describe it in one sentence. See **How To Draft A Vision Statement**.

Outcomes | 5-10 Year Goals

Compared to vision statements, outcomes are smaller changes – they are still significant changes to the environment or society, but they are not quite as large as a vision statement. They are objectives that you can achieve within 5-10 years. Generally, we say that small NGOs should have 3-4 outcomes – more than that might be too much to accomplish with limited resources in 5-10 years – as we want to be both idealistic and realistic.

Outcomes should also be things that you can measure, observe or evaluate. Ask yourself, after 5-10 years, how will we know whether or not this change has occurred?

If there is no clear answer, then it is not measurable.

Some poor examples: "More homeless people know about their rights" or "the national government improves policies on drug users." Better examples include: "Build new homes for 500 homeless families in New York City" or "All hospitals in our province will provide methadone to patients who are recovering injection drug users."

Bad Example 1: More homeless people know about their rights.
Good Example 1: Build new homes for 500 homeless families in New York City.
Explanation: The Good Example has a data point to measure the outcome and "build new homes" is observable.

Bad Example 2: The national government improves its policies concerning drug users.
Good Example 2: All hospitals in our province will provide methadone to patients who are recovering injection drug users
Explanation: In the Good Example, "all hospitals" is a measurable indicator. The change described is also more concrete and observable compared with the bad example.

The good examples above are statements that are ambitious, but also clearly measurable. This is also a time to return to the inputs you received during the preparation phase and to evaluate your organization's work last year. Are there things your organization does especially well? Are there things you do now that other groups do better? Are the outcomes building on your existing experiences, and your organization's strengths and resources?

Outputs | 2-Year Goals

Now let's look at outputs – these are the direct result of the program work that you are doing this year. They are smaller steps – things that you can accomplish within 2-3 years – on the way to achieving 5-10 year outcomes. Outputs should be specific, measurable and able to be evaluated.

Bad Example：Raise sex workers' awareness of safety and health.
Good Example：85% of the sex workers to whom we have conducted outreach have a correct understanding of the transmission of HIV and use condoms regularly.

As shown in the Good Example, sometimes it helps to use specific numbers or percentages when writing outputs. This is often the most difficult part of the process, because it is the part where vision meets reality. Most organizations spend a lot of time on this column.

What's the difference?

Outcomes are goals that are achievable in 5-10 years, while Outputs are achievable results of your work in the next two years. Outputs are smaller steps that will lead to the achievement of outcomes.

In this column, you need to come up with achievable results of your work in the next two years. Each output is a goal that should lead clearly to at least one of your 5-year outcomes. Likewise, each outcome should have at least one output that connects to it. You will need to make tough choices in this section and be honest about what you can really achieve with the staff and funding you currently have. You also have to be sure that your outputs logically result from what your organization actually does. This is where common sense becomes important.

Why these specific names – "output," "outcome," etc.? These words are frequently used by donors and governments to evaluate NGO programs. If we think in the language of donors, we can use the strategic plan to communicate our work with donors in a way that they understand.

For instance, if all your outcomes (5-10 year goals) are about legal and policy change, but all your current programs are services such as providing food and medical care, then the plan is not logical and something will have to change. Some people like to use very specific numbers here. Others prefer to be indefinite. Either one is fine, but try not to have more than 5-8 outputs. For a small organization, eight outputs is a lot to accomplish in two years.

One challenge of drafting outputs is to confuse the concept with outcomes. See **How to Differentiate Outputs and Outcomes** for further learning.

Actions | Next Year

Compared with outputs and outcomes, actions are much more simple. These are just the different activities and programs that you are doing this year. Actions will produce outputs. You do not have to worry as much about measurement and evaluation when writing actions, as actions are more about process than results, but you should still make them as specific as possible. Do not just say you are going to hold "training" – indicate how many training sessions, for whom, covering what material, etc. Once the Vision, Outcomes and Outputs columns are done, this part is easy. For instance, if your output is "40 people trained in legal rights," your action may be "two legal rights workshops for 20 people each." Each action should have at least one arrow pointing to an output. Try to be as specific as possible, using concrete numbers.

Bad Example: Outreach
Good Example: Provide five outreach sessions every month for migrant sex workers.
Explanation: The Bad Example makes the mistake of being not specific.

Resources | What You've Got

In this column, you brainstorm about people who can help you get this done: current and potential funders who might support your work, other NGOs that can share resources with you, university programs that might sponsor events, experts who might help with training, etc. List all of the people to whom you need to reach out in order to organize your programs. You can also list all of the current resources you have: office space, computers, printers and other items that help you do your work. The resources you find out in **How to Map the Field** can be applied in this section. The nice part about this step is that it is a reminder that while the tasks ahead are ambitious, your organization is not alone.

Bad Example: Provincial government, UN Agencies, Experts
Good Example: Beijing Disabled Persons Association, WHO Beijing Office, Zhang San (legal consultant on employment), UNAIDS Beijing Office
Explanation: Resources should be as detailed as possible. This way you can see who to approach when you are looking for related resources.

How to Use the Logic Model

Move from right to left, filling in one column at a time. Start by reviewing your vision and make sure you all still agree with it, then move to the left and discuss outcomes, then outputs, and then actions. Try not to think about the actions (programs for this year) until you finish the columns to the right of it.

The number one mistake most groups make is to make decisions about this year's programs before the other columns on the right are done.

If you find during this planning meeting that you are making tough decisions and deciding not to do certain things that you really wanted to do, then you are doing this correctly. That is at the core of planning: evaluating what resources you have and making realistic choices.

In the following pages, we have provided two examples to show how to build logical connections between the elements in the logic model.

	ACTIONS	OUTPUTS	OUTCOMES
Bad Example 1	Collect cases and write reports	Publish a report on autistic children	Decreased social discrimination against autistic children.
Good Example 1	Collect 20 discrimination cases concerning autistic children; write and publish a report on these cases.	Newspaper X publishes a report on social discrimination against autistic children including X cases; over X number of people view the report on website X; X new media has shared the report.	Members of the public began to provide support services and products to autistic children.
Bad Example 2	Training	Rural teachers' teaching standards have improved.	Education quality of schools improved.
Good Example 2	Conduct 2 "participatory teaching method" training sessions for teachers from the rural area. Every teacher has to practice the method at least 4 times every month.	School teachers master the method and content for participatory teaching; 95% of the teachers are willing to continue using participatory teaching method.	Increased student participation, which leads to improvement of education quality.

Finalizing the Plan

Take one more look before finalizing your plan:

1. Does every box have an arrow that points to another box?
2. Is there a logical relationship between each part of the plan?
3. Will the actions result in the outputs ?
4. Will the outputs lead naturally to the outcomes?
5. Have you included every one of your programs?

Logic Model Basics

- ☑ Every box in the Logic Model must be filled in; no blank boxes! But you can change the number of boxes.
- ☑ Every box must be connected to another box; no islands! The arrows connecting boxes represent cause and effect: Actions produce outputs; outputs lead to outcomes; outcomes enable the vision statement to be achieved. There is a logical relationship between these different parts.

Next Steps

We recommend doing a few drafts of the plan internally, and then showing the plan to a few individuals outside of the organization to get their feedback before you make the plan official. Finally:

1. Create a monthly timeline. Create a spreadsheet with actions on the left, and the months across the top. Plan out the steps for each action each month. Decide who will be responsible for each action. If no one wants to be responsible for it, it should be removed from the strategic plan. See **How To Create A Timeline**.
2. Create an annual budget. Create a spreadsheet with actions on the left and the cost of each action in the next column. See **How To Create A Budget and Template| Budget**.

3. Send the plan to your donors. Donors appreciate seeing the big picture of your work and how the projects they support fit into your long-term strategy.
4. Post the plan, budget and timeline in the office where you, your colleagues and visitors can see it each day.
5. Review the plan and see whether you are making progress in six months. Are the actions leading to the outputs you planned? Why or why not? If they are not having the result you intended them to have, you may need to reevaluate whether or not these are the right actions.

Drafting a Vision Statement

The Basic Principles of a Vision Statement

Your vision statement is the first part of a strategic plan, and an important way to unify and focus everyone in the organization on a shared goal. The vision statement describes the change your organization will have on the group you are targeting with your work in the next 20 years. The statement should be even simpler than your mission statement: a short, clear statement of only one or two sentences that describes the end result of your work.

Generally, we say that a vision statement should meet the following points:

1. It describes the final goal of your organization and the driving force for your work.
2. It includes three parts: people, place and change (in 20 years).
3. It is ambitious and inspirational.

A vision statement has three parts:

1. People: the group our work hopes to affect. Examples: "women with HIV/AIDS," "Tibetan snow leopards," or "NGOs working on homelessness."
2. Place: the geographic location where your work is focused. Examples: "Bangkok," "Yunnan Province," or "Southeast Asia."
3. Change: the major change this group will experience as a result of your organization's work. Examples: "know and can advocate for

their legal rights," or "significantly increase their English literacy." It is okay if this goal is a bit abstract, as the strategic plan will require you to break it down into smaller steps later on. It should be ambitious and inspirational, and there should be a clear group consensus around the statement.

Bad Example 1: The living environment and quality of life of PLHIV have improved.
Good Example 1: The living environment and quality of life of PLHIV in Baoshan City, Yunnan Province are guaranteed.
Explanation: In the Bad Example there is no place where the organization works.

Bad Example 2: Everyone in the world enjoys equal rights in harmony.
Good Example 2: No more gender discrimination in Asian countries.
Explanation: The Bad Example includes the three elements of a vision statement, but it is too broad and hollow. It is unrealistic for a CBO to realize this.

Here are some examples of good vision statements:

1. "End forced eviction in Phnom Penh."
2. "All people with HIV/AIDS in China know and can advocate for their legal rights."
3. "All courts in Indonesia sentence drug users to rehabilitation not prison."

Begin the vision statement with phrases such as:

- We strive for…
- We believe that…
- We are committed to…

Material List

- Flipchart
- Colorful pencils—4 to 5 colors for each group
- Tape
- A wall big enough to attach many photos

Process

The following exercise is one way to work together with a group to develop a vision statement. If your group is more than four or five people, we recommend that you break the group down into groups of four or five. In a strategic planning meeting where you may have people of many different levels working together, it is best to create groups of people who will be comfortable speaking to each other. Assign one person who is good at facilitating discussions to be the group leader.

Step-by-step

1. **Identifying problems**: Ask each small group to create a list of three or four key problems they believe the organization is working to address, and write these down.
2. **Imagining the future**: Ask each group to imagine that they have been out of the country for ten years. They have arrived back to find that their dreams of how the society should be, in terms of the problems they have identified, have been fulfilled. The problems are solved and society is functioning just as they had always hoped. Give them a few minutes to discuss what that ideal society would be like.
3. **Creating a visual aid**: Each group should draw a picture of what this ideal future society will look like. Tell them that they can use color, shape, words and/or images. When the picture is done, each group should also come up with one sentence to describe this ideal future society.
4. **Sharing the vision**: Have each group present its picture and explain what it represents to the rest of the participants. The facilitator should capture key words, especially anything that is value-related (*e.g.*, equal access, affordable, quality health care, equitable allocation, democratic, etc.) and write these on a large sheet of paper or dry erase board where everyone can see them.
5. **Creating the final statement**: The entire group studies the words and statements and jointly constructs a vision statement that reflects the range of input.
6. **Delegating to a committee**: If the large group is finding it difficult to agree on a joint statement, we sometimes create a committee with

one representative from each group that works together separately to draft a vision statement, while other members work on other parts of the strategic plan. (Also see **How To Create A Strategic Plan**.) The committee can then present the statement and invite everyone to edit it.

Once you have reached a consensus among the participants in the large group, your organization will have a vision statement to guide its work.

How to Differentiate Outputs and Outcomes

Measure Outputs and Outcomes

When drafting strategic plans, outputs and outcomes should be measurable and you should be able to evaluate them. What does this mean? Measurement and evaluation are very complicated concepts. It can take up a whole year to study how to measure and evaluate outputs and outcomes, but here we will just give you a brief introduction. What we will introduce now can help you integrate the ideas of measurement and evaluation in the process of drafting the outputs and outcomes for your strategic plan.

1. First, measurement has two methods: qualitative and quantitative measurement. How are they different?
    - Quantitative measurement uses numbers, percentages or statistical data to describe changes.
    - Qualitative measurement uses more general comparisons, collecting interviewees' thoughts or opinions to conduct non-numerical case studies, etc. Qualitative measurement is a more impression-based method that looks for a general pattern.

To choose between quantitative and qualitative measurement, you need to assess: (a) the target; and (b) the capacity to collect data. If you cannot gather enough data to conduct quantitative measurement, then you should choose qualitative measurement.

Examples：

Qualitative	Quantitative
1. Fewer sex workers underwent education through labor compared with last year. 2. More pregnant women showed satisfaction with our services than in the past.	1. The number of sex workers undergoing reeducation through labor has decreased by 10%. 2. 65% pregnant women were "Satisfied" or "Very Satisfied" with our clinic's services.

2. Both outcomes and outputs are measurable but through different methods. When you are drafting outputs and outcomes, you should adopt different methods. How are the methods different?

   - Outcomes: means the change happened to the environment, society or the community that are noticeable but not necessarily measureable with numbers.

     For example, the goal of a program you are in charge of is to improve the ART (Antiretroviral therapy) condition for PLHIV. As you work, you are helping PLHIV to strengthen their treatment compliance and also conducting advocacy work to increase treatment access (for example, to increase the number of available medicines). How can you generally describe the outcome of a program like this?

Example: The treatment environment for PLHIV has seen some improvement. PLHIV in our community have various types of anti-virus medicines to choose from. The reported cases of side-effects from the medicine have decreased. The treatment period is also longer than before.

Explanation: The change described in the example can be evaluated by observation, but there is no specific data to quantify the change.

- Outputs: means the more detailed and specific results of your program. It can be described with measurable indicators such as numbers, time periods, the number of people, or cost.

  Take the ART program as an example, if the outcome of the program is "the treatment environment for PLHIV has seen some improvement." Then how should you describe the outputs of the program?

Example 1: Over the course of two years, the treatment compliance of the PLHIV covered in our program has increased by 50% overall.

Example 2: The cases of PLHIV giving up treatment as a result of the medicine's side effects and other complications have been decreasing by 50 each year.

Example 3: Our advocacy work has successfully increased access to one more type of available anti-viral drugs for PLHIV.

Comparison Exercise

You can learn the differences better through a case study below. Please spend 5 minutes to read and understand the scenario.

Scenario：You are working at a CBO striving for better living standards for People who use drugs(PWUD) in the local community. During the daily outreach, you found out that the members of the **PWUD** would get fired or rejected by employers once their identities were revealed in the recruitment process or at work. As a result, most community members don't have jobs, which causes problems for their basic livelihoods. In order to improve this situation and make it easier for them to find a job, your organization conducted a vocational training program supported by an international NGO. After the training, the donor asked you to report the outputs and outcomes of your program.

Review the examples here for 5 minutes and think whether they are outputs or outcomes:

1. The relapse (meaning that people go back to drugs after temporary recovery) rate has dropped.
2. 60 people have participated in the training.
3. PWUD are accepted by employers and society. Their employment situation has improved.
4. The incidence of poverty has decreased by 15%.
5. More PWUD have been following our program and the number of our program participants has increased by 30 people.
6. The local Center for Disease Control (CDC), leaders of the labor bureau, and representatives of companies attended the vocational training graduation ceremony.
7. PWUD started a vocational skills sharing group and hold monthly meetings.
8. 25 PWUD have found a job.

Answers:

1. Outcome.
2. Output.
3. Outcome.
4. Outcome.
5. Output.
6. Output.
7. Output.
8. Uncertain, because we cannot tell whether it is a direct result of the vocational training or not. For instance, if you have organized a job fair targeting PWUD, it is likely that some people will end up with a job afterwards, if so, this should be a output. If the activity is vocational training, securing a job might take long-term and other efforts lasting for a year or more to achieve.

Make a Work Plan

What should you do after strategic planning? What problems will you meet if you implement the strategic plan right away? Think about the actions in the logic model — for these large activities, is there anything to consider while implementing them? The key is that we need to break the large activities into smaller and more detailed work assignments, for example, in a task like "hold a dinner party," we can usually break it down to many specific small tasks or activities. After the breakdown, you can achieve the ultimate goal by implementing each task. An example of a work breakdown structure:

Dinner Party			
Guests	**Venue**	**Food and Beverage**	**Program Management**
Prepare invitations	Clean the venue	Purchase food	Make a task list
Invite guests	Arrange the tables	Purchase beverages	Create a budget
Prepare the guest list	Play music	Cook	Arrange work assignments
	Clean the table cloths	Make ice cubes	
	Polish the cutlery	Refrigerate the wine	
		Start eating	

The key to program management is to divide the task into smaller activities, because:

1. It shows the full picture of a program and gives you a detailed explanation of all activities you need to accomplish the task;
2. A work breakdown structure helps program officers and team members manage work more effectively. You can plan work schedules, make budgets and control risks based on the different activities;
3. It clearly shows the relationship between each activity;
4. You can have a better grasp of the workload and the division of responsibilities is easier.

There are various approaches to break down the work:

1. Systematic approach: view the project as a system consisting of different sub-systems and break down the work according to each sub-system.
2. Lifecycle approach: split the project into start, design, implement, monitor and wrap-up phases, and break down the work according to the different phases.
3. Functional approach: break down the project based on different functional departments, for example, finance, administration and programming.
4. Functional approach (product): based on the functions of the product or the project.
5. Geographical approach: based on the geographical distribution of the project.
6. Other: based on the goals, the organization’s departments, physical structure, etc.

When breaking down the work, try to do it with the entire team and plan out all tasks that need to be done through discussion and consultation. It is good for the participants to figure out what resources are needed. A small project should have a work breakdown structure with 4 to 6 levels, while for a bigger project, there should not be more than 20 levels. We recommend that only one person is responsible for the work plan and the others participate in the actual detailed implementation work.

TOOLKIT| STAKEHOLDERS' INFORMATION COLLECTION QUESTIONS OUTLINE

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Note: The collection of stakeholders' information should be conducted with a clear goal and strategy. This outline aims to provide questions for you to gather information.

1. For the community you serve and people who are close to them:
    - What kinds of services have you received from the organization?
    - What do you think of their work?
    - What expectations do you have for them？
    - How have you benefited from their services?
    - What has changed for you after receiving their services?
    - How does this organization improve/change your life?
    - What other services would you like them to provide?
    - What suggestions do you have for the development of this organization?
    - Do you have other recommendations or suggestions?

2. To staff and volunteers：
    - How long have you worked for this organization?
    - What do you think of their work?
    - What expectations do you have for this organization?
    - How have you benefited from working at this organization?
    - What other services would you like them to provide?
    - What suggestions do you have for the development of this organization?

3. Health care workers, social workers, economists, NGO workers, people in their network, human rights organizations, etc.：
    - What do you think of the organization?
    - What do you think of their work?
    - What expectations do you have for this organization?
    - How have you benefited from working with this organization?
    - How can you support or work with this organization?
    - What suggestions do you have for this organization?

TEMPLATE| STRATEGIC PLAN PEER FEEDBACK FORM

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Note: If you are conducting training on strategic planning and drafting a plan is their homework, this form aims to evaluate each other's strategic plan. It can also be used when you are evaluating your own strategic plan.

Please review your partner's strategic plan and answer the questions below. Your answers are considered feedback and suggestions for changes to his or her strategic plan. E-mail this form to your team member.

1. First, what are the strengths of this plan? Point out one or two places that you think are well written.

2. Is there anything that is not clear or not easy to understand? If there are, what other information should be added to make it clearer?

3. What do you think of the cause and effect relationship between each key point of this plan? Is there any cause and effect relationship that is illogical or unclear?

4. Are the outputs and outcomes measurable in this plan? If not, point out places that need improvement, in terms of the measurability of the outputs and outcomes, and provide your suggestions for change.

5. Do you have other questions or comments on this plan?

TEMPLATE| STRATEGIC PLAN LOGIC MODEL

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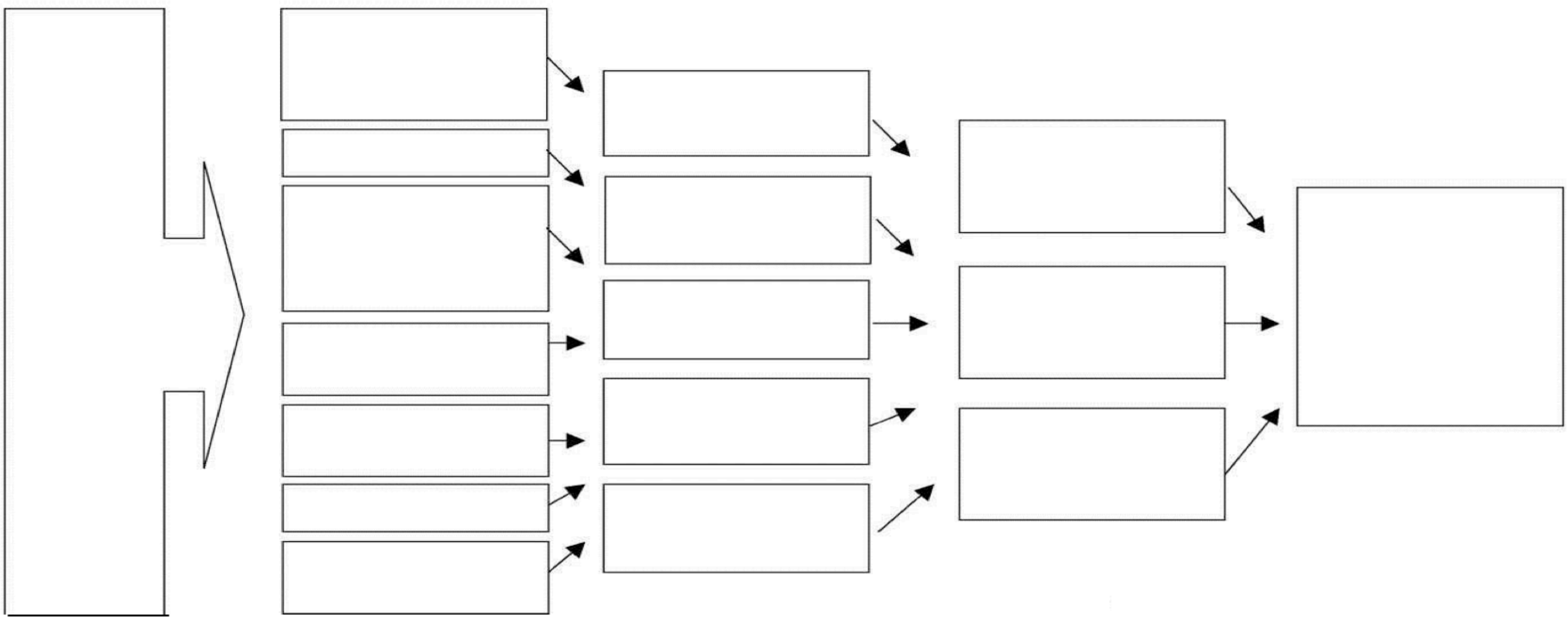
Note : This chapter introduces how to create a strategic plan, in which a tool was used—the strategic plan logic model. This logic model can also be applied in program design.

RESOURCES	ACTIONS	OUTPUTS	OUTCOMES	VISION
Current or potential donors, allies, and experts who can help you this year	Specific activities or programs for this year	Short-term measures of strategic success (1-2 yrs)	Medium-term milestones (5-10 yrs)	Long-term impact (20+ yrs)



EXAMPLE | GOOD AND BAD STRATEGIC PLANS

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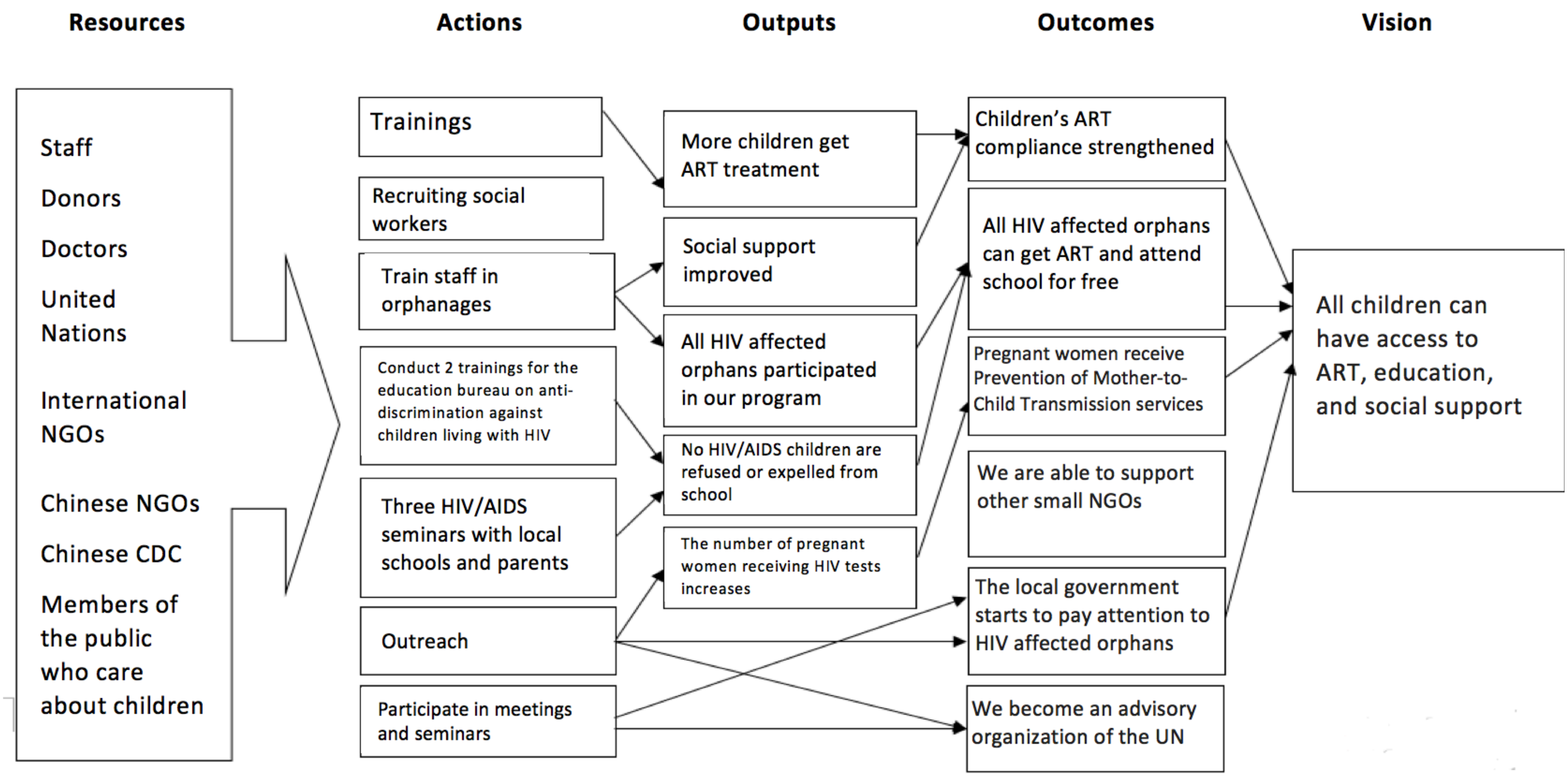
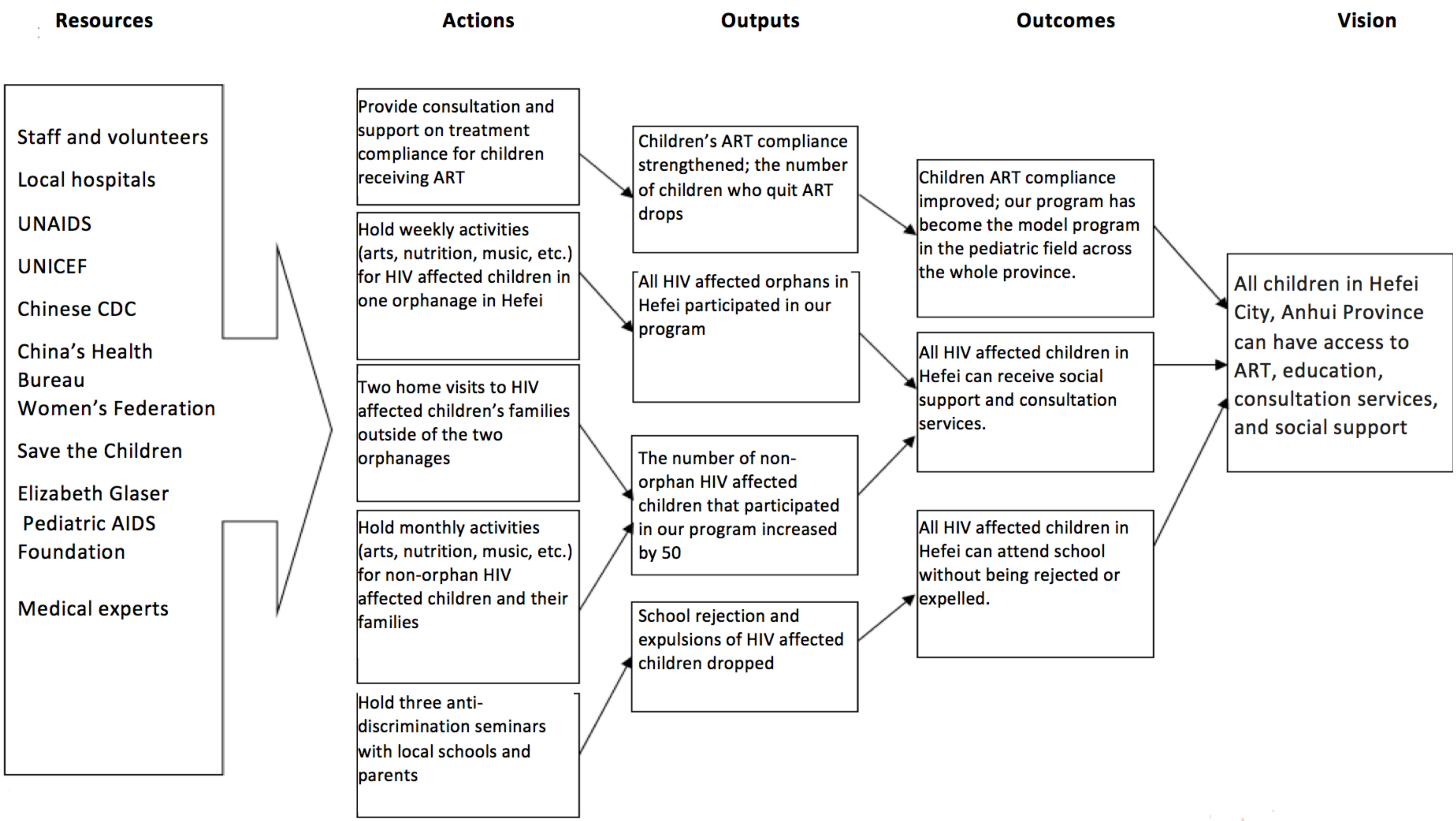
Note: This example aims to show how to complete the strategic plan logic model through a comparison of two plans. You can evaluate the two plans based on the questions listed in Template | Strategic Plan Peer Feedback Form.

Original Plan



Improved Plan



EXAMPLE | MAPPING THE FIELD

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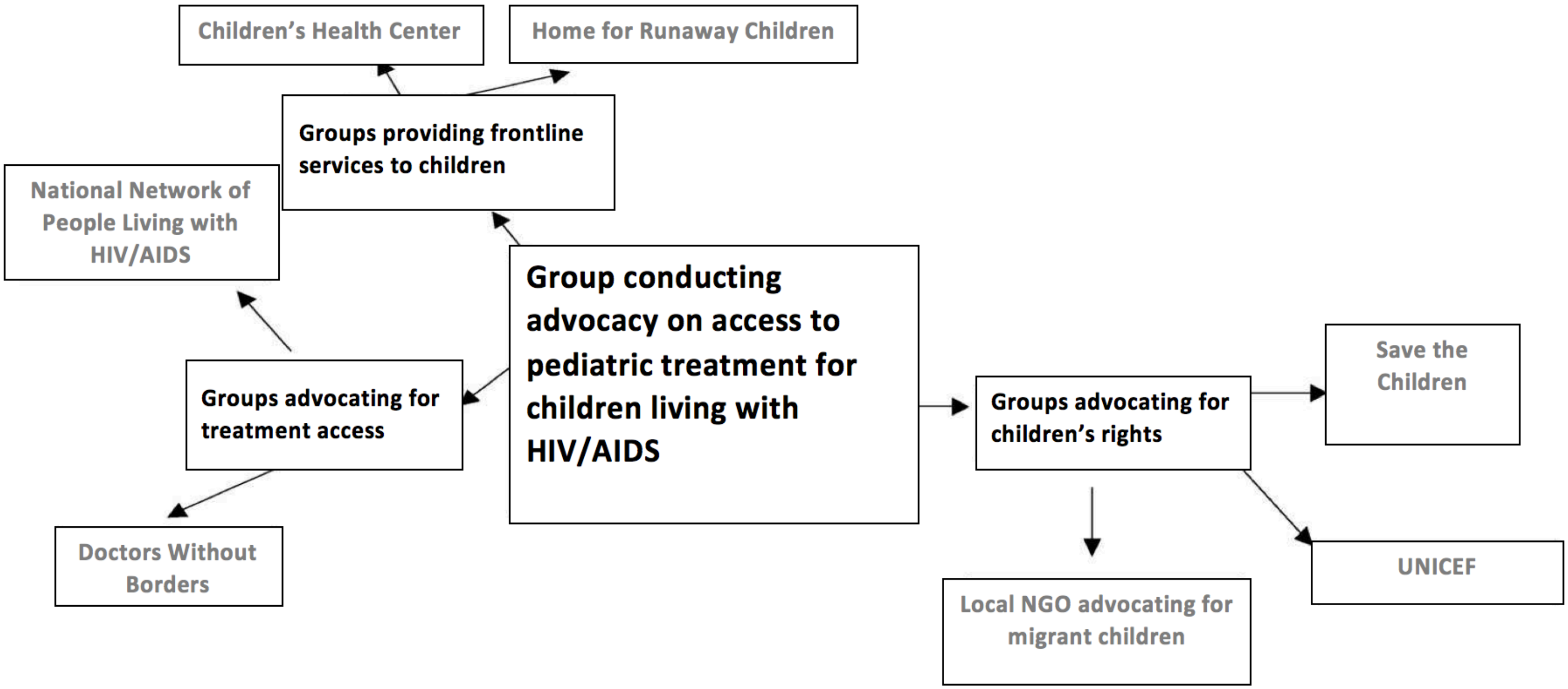
Note : Put your own organization in the middle of the map, and identify other groups who work on similar issues. Note that the organizations closest to you on the map are not the organizations with whom you have the closest relationship, but ones that do work most like yours. Also, put groups together based on what they do (advocate for children's rights), not who they are (government, NGO). Once you have created a basic map, discuss what tactics or issues make your organization unique.

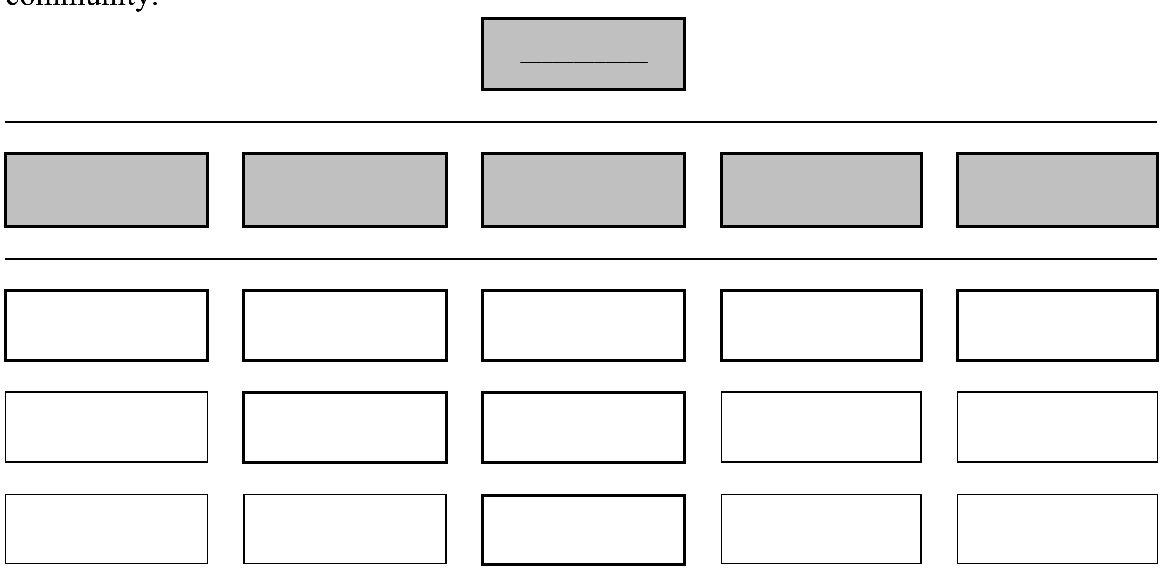


Reflect!

1. What are the three components of a Vision Statement？
2. Why do we need a Strategic Plan?
3. How can we improve the cause and effect relationships in the logic line below?

Action: Training → Output: more PLHIV participate in our program and the number of people in our activities increases. → Outcome: PLHIV understand and advocate for their own rights.

4. What to consider first when making a Strategic Plan?
   a. Things other organizations focusing on the same area are doing
   b. Long-term goal of the organization
   c. Current available resources
   d. The interests of your biggest donor
5. When is the best time to create a Strategic Plan?
6. What's the difference between an "Output" and an "Outcome"?
7. What are the three things to do after strategic planning?
8. Create a work breakdown structure for "a medical knowledge training program for the community."



Program Management Skills (1) — Time Management

In the last chapter, we introduced strategic planning and the work plan. The next step is to consider what to do and at what time. Every organization has its own annual plan (or a quarterly or monthly plan). However, even though you have prepared a plan, sometimes you will still encounter challenges with time management. This chapter aims to introduce methods to cope with this problem.

Divided into two sections, this chapter starts with **How to Manage Time**, in which we will introduce the relationship between time management and strategic planning, the challenges of time management, a step-to-step guide on managing time, and the use of a tool – the timeline. This section will help you to connect time management and strategic planning more closely and understand the concept of time management in its broadest sense. You can use **Template| Timeline** to design your organization, program, or an action's timeline. In the second section, we will introduce another tool to manage time — the Gantt Chart, and we will run through two Gantt Chart examples to show **How to Use the Gantt Chart**. You can manage time more efficiently if you follow the guidance in this chapter.

The relationship between a Strategic Plan and Time Management

As discussed in the previous chapter, a strategic plan decides the general direction of an organization. Once finalized, the next step is to implement the action part of the plan. The implementation of actions requires prudent time management. Please read the diagram below and think about how a strategic plan directs time management and how time management can help you accomplish the actions listed in the strategic plan. This diagram was shown for the first time in the strategic planning chapter, but you should consider it again now and consider questions brought up in this section.

Challenges of Time Management

When managing an organization, you will meet many challenges, such as difficulties in controlling your schedule. Have you ever experienced situations such as:

- A planned activity will not be finished within the expected time;
- Your program partner did not finish their work within the appointed time, which results in insufficient time to finish the whole program;
- Many things are happening at the same time and you do not know how to prioritize.

In order to avoid any situation stated above, we need to make timelines. Apart from providing control over your schedule, a timeline can also:

- ✓ Document or mark clearly the activities that are planned within a period of time;
- ✓ Plan for the future;
- ✓ Assign work to staff and build a sense of responsibilities;
- ✓ Manage time effectively;
- ✓ Evaluate work processes;
- ✓ Plan for multiple responsibilities;
- ✓ Avoid staff burn-out.

The major steps of time management include:

1. Make an annual plan for the entire organization and specify major activities for each month;
2. Manage each month's tasks – this can be done in many ways, but you need to choose how to do it based on your workload and the time available.

Making a Timeline

Things to consider while making timelines:

- ✓ Relationship between timeline and strategic plan;
- ✓ Detailed activities;
- ✓ Cause and effect relationship;
- ✓ Division of responsibilities.

Steps

1. Draw a chart on a flipchart, horizontally from left to right.
2. List all activities in the left column and months across the top row.
3. Think about how much time is needed to prepare for each activity or project, and write the steps in the appropriate month.
4. Decide the person in charge for each activity or action and label it on the timeline after the task.

Please read the timeline below carefully. What do you think of it?

Timeline example: HIV/AIDS Education Organization

Action	January	February	March	April	May	June	July	August	Sep and after
1. Reports on Rights Discrimination		Consult with allies and other groups	Map the field for the project	Conduct research and interviews			Create report outline	Write report	Printing
2. Law workshops	Create legal rights manual		Legal rights workshop #1	Follow up with workshop participants	Continue follow up with workshop participants				
3. Outreach to PLHIV	Party at local community center	Street outreach	Street outreach	Party at local community center	Street outreach	Street outreach	Workshop on living with HIV		
4. Fundraising		Small dinner for potential donors		Deadline for Ford Foundation grant application		Ford Foundation grant report due		PLHIV Panel and reception	

You will find out a few problems after reading the timeline carefully:

- ✓ The work break down structure is clear and logical;
- × The time arrangement is not very reasonable – most activities are scheduled in the first four months. When planning for activities, make sure they are spread throughout the timeline, if possible, in order not to overload staff during a certain period of time. In addition, make sure each activity is given sufficient time to be implemented.
- × The people responsible of each task are missing – when making timelines, add the responsible person after the task so that you can see clearly who is responsible for a given task, when reviewing the timeline. Also, adding this makes the workload for each staff member easy to see. In the appendix, we have provided **Template| Timeline**, in which there is a row for Responsible Person to avoid missing this information. Next, we will introduce another timeline tool which shows the relationship between the Responsible Person, the program schedule and activities — the **Gantt Chart**.

Gantt Chart Example

When you are making timelines, you might consider using a tool called the Gantt Chart. It is a program timeline that displays which activities happen at the same time and the dependent relationships between each. The Gantt Chart helps to visualize the sequence of activities – it shows, for example, which activities should happen first, as they must be completed before others may begin. Now, consider the following two examples to help learn how to use Gantt Chart.

Example One: Gantt Chart of a Report on Rights Discrimination

Actions	Responsible Person	January	February	March	April	May	June	July	August
Consult allies	Mei								
Map the project	Mei and Caro								
Write interview outline	Mei								
Contact interviewees	Mei								
Interview	Mei and Caro								
Analyze interviews	Mei and Caro								
Write report	Mei								
Submit report to the donor	Mei								
Distribute report	Mei								

Gantt Chart Example One Analysis

1. All steps needed for the activity are listed in the first column and the months across the top. The second column clearly states the person in charge.

2. In the March column, you can see how this chart reflects the fact that some activities must be done at the same time. The shaded cells represent that Mei will draft interview outlines and possibly contact potential interviewees, which should happen the same time as drafting the outlines.

3. Pay attention to the fact that the Gantt Chart can also reflect the dependent relationship of activities. For example, you can only start mapping the project in February after consulting allies in January; Mei has to finalize the interview outline in March before conducting interviews in April and May.

4. Last, from the chart we can tell that Mei is responsible for most of the activities in this project. Monthly activities including writing and distributing reports are being done by Mei alone. Making a chart like this can remind Mei's boss to divide the staff's tasks fairly and evenly to avoid overloading Mei.

Example Two: Gantt Chart on a Maternity and Children's Health Program

This is a Neonatal Resuscitation (NR) program aiming to train nurses and pregnant women to help newborn babies regain breath when suffering from asphyxia – a simple and life-saving intervention measure. It is the focus of many maternity and children's healthcare programs.

Action	Responsible Person	January	February	March	April	May	June	July	August
Contact with maternity hospitals	Mei								
Training curriculum development	Xiaofeng & Yang								
NR training for nurses	Xiaofeng								
NR training for pregnant women	Yang								
Follow up with new mothers	Yang & Mei								
Track infant mortality rates	Xiaofeng								
Program M&E	Xiaofeng & Yang								
Grant report to the donor	Mei								

Gantt Chart Example Two Analysis

1. This chart also explains that different activities must occur at the same time. Please note that the training for nurses and pregnant women will happen at the same time, but will be conducted by different staff, in order to not overload any specific staff member.

2. Across the whole program cycle, the continuity of some activities is also reflected in this chart. For example, tracking infant mortality rates lasts from January to June. The organization probably wants to compare the data collected to evaluate whether this program is successful or not. Therefore, they have to start data collection before the program and continue with it throughout the whole cycle.

TEMPLATE| GANTT CHART

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Organization's Name : ________________________

Action	Responsible Person(s)	January	February	March	April	May	June	July	August

TEMPLATE| TIMELINE

Note：This timeline template can be used to plan activities from the organizational perspective (administration, program A, program B, etc.) or from a program perspective (annual plan for program A: outreach, report, trainings, etc.). Likewise, it can also be used in planning one certain activity in a program, as shown in the first row of the template. You can utilize this tool according to your own needs.

Action	Target	Expected Result	First Month	Second Month	Third Month	Fourth Month	Fifth Month	Sixth Month
Action 1: *E.g., writing a report*	*Research target (e.g., teenage drug users)*	*Launch the report at the end of June*	*Design questionnaire, focus group format, and location.*	*Questionnaire—100 copies; finish 5 focus group interviews.*	*Organize data from the questionnaire and transcript of focus groups*	*Draft the report*	*Finalize the report*	*Launch the report*
Responsible person(s)			*Xiaoming*	*Xiaohong & Xiaoming*	*Xiaohong & Xiaobai*	*Xiaoming*	*Xiaohong& Xiaoming*	*Xiaoming&Xiaobai*
Action 2								
Responsible person(s)								
Action 3								
Responsible person(s)								

Reflect!

1. What is the relationship between time management and strategic planning?
2. What are the elements to consider when making a timeline?
3. Design your organization's timeline with **TEMPLATE| TIMELINE** and **TEMPLATE| GANTT CHART**.
4. Fundraising is fundamental for an organization's success and sustainability. It is based on a good strategic plan, a logical timeline, and a clear budget. This exercise requires you to include fundraising in your organizational timeline.

   Reflect on your original timeline—is there an activity just for fundraising? If not, add the fundraising activities into your timeline and divide them into more detailed steps (for example, studying donors, writing applications, application deadlines, fundraising activities, annual audit, writing reports – also include all regular fundraising activities). Add a row for fundraising directly into your timeline.

   The next step is to consider your fundraising timeline from the perspective of staff management. Who should be responsible for fundraising? Put a person in charge of each fundraising step.

Program Management Skills (2) — Financial Management

In **chapter one**, we set the ground rules for inclusion and participation, and discussed resources and tools to use as we use the *Nonprofit Survival Guide* within our organizations.

In **chapter two**, we explored strategic planning, to answer the questions:

What do you want to do?

What is your long-term goal?

What will you do this year to advance towards that goal?

We developed a Strategic Plan using the **Strategic Plan Logic Model**

In **chapter three**, we talked about time management, various skills on the individual level, and then tried to answer the following questions as an organization using the **Organizational Timeline:**

Now that you have activities for this year, are they realistic?

How will you organize your year to fit your activities into the twelve months?

How can we use this tool to track our progress?

In **chapter four,** we'll reference our **Strategic Plan Logic Model** and **Organizational Timeline** to take our planning for our year's activities forward, and to add another way of tracking our progress.

Now that we have a detailed plan and timeline, what financial resources do we need to carry out our activities?

How do we plan for our costs? How do we track our progress in fundraising for these costs?

Once we have funding for our budget, how do we track our spending and ensure that the money gets where it is needed to support the activities we've promised to do?

In this chapter, we will learn:

Planning our costs and mobilizing resources by:

1. **Creating a budget**

And then tracking our costs and ensuring accountability by:

2. **Maintaining strong financial records**
3. **Writing financial reports**

In **chapter five**, we'll use these core documents to motivate resources for our work, primarily through fundraising.

In **chapter six**, we'll focus on motivating individuals to carry out the work, and supporting your team to meet your goals for this year, and make progress toward the goals in your Strategic Plan**.**

This chapter will provide a **Sample| Global Budget** for your better understanding. **How to Create a Budget – Exercise** is a group exercise that helps highlight some of the concepts of this section. You will make a budget based on a sample program, a topic that will be analyzed in the next chapter.

After you have created your budget, **How to Maintain Financial Records** provides some helpful tips on how to preserve and organize your physical and electronic documentation of income and expenses. Lastly, learn to create report summaries of your income and expenses over a specific period of time with **How to Generate Financial Reports** and **Sample| Financial Report**. A financial report serves to handle the allocation of your funding and lets your program managers and donor know if you have spent the funding according to any prior agreements or promises.

All of these financial tools can help in establishing accountability, reducing the risk of financial mismanagement, and maintaining good relationships with donors and other stakeholders.

Budget and Strategic Planning

Sound financial management is another building block of a strong organization, and it begins with planning out your expenses in an organizational budget. It helps to eliminate potential risks, avoid corruption and mistakes of management, and ensure staff and volunteers know clearly where the funding comes from and where it will go. Moreover, a transparent budget can help gain trust among your donors and the community you serve.

Think of budgeting as a later stage of strategic planning. At Asia Catalyst, we complete budgeting *after* we finish our annual strategic plan, because the strategic plan helps us to create a roadmap for our activities and the expenses they will require.

Budgeting can be done on multiple levels, and in this chapter we will focus on two levels: the organizational **"Global Budget"** and individual **"Program Budgets"** that will form component pieces of the Global Budget (more on these later).

Before we get into the details of budgeting, it is important to think about the process, who should be involved in it, and challenges you may face in the process, and after the budget is written.

Budgeting and Inclusion

Earlier in this guide, we discussed the idea that "human rights begin at home." Before change can be brought to society at large, we must first model the changes that we wish to see in ourselves and within our own organizations. The way your organization writes and shares budgets is an important part of this idea.

Transparency is a core value at Asia Catalyst and we believe essential for promoting the inclusion and meaningful participation of all members of your organization too. Budgets should be *transparent* and *open* to your staff, who should not only have a grasp on your financial status but must be active in monitoring appropriate expenditure of the funding you take in. In many jurisdictions, an annual budget must be approved by the board of directors, with any significant changes also requiring approval by the board beforehand.

Because NGOs and nonprofit entities take in donations to carry out their work, we must be vigilant in safeguarding and managing those funds, ensuring that they are used for their intended purpose. Upholding budget transparency within your organization involves three key concepts:

Availability: Making your budgets available to your board of directors and all staff members is important so that they understand your organization's financial situation and can help monitor that funds are spent appropriately.

Clarity: Writing clear budgets that are understandable inside and outside of your organization is also important. Someone with little knowledge of your work should be able to pick up and understand your budget. At the very least, transparent budgets should contain the following three columns: *expense item*, *calculation*, and *total need*. A clear budget should be able to show what each expense item is and how you reached your final figures. Ask yourself this question when creating a budget: *will somebody from outside of the organization understand how each calculation works while reading your budget?*

Reality: Your budget calculations should be realistic, and rooted in either past experience, or research. It is important to look at past spending patterns as you build your budget. For example, if you have spent $500 per year on office supplies for the past two years, that is a realistic budget amount unless you have had a significant change in your organization or your programming.

Challenges with Budgeting

Your budget is a key pillar of your organization. It is based on your strategic plan, and program timeline and serves as your roadmap for finding the resources needed to carry out your activities. Once you've taken in the resources to run your programming, the budget helps you track your expenses and make changes to your plans based on current realities.

Miscommunications may arise among your team, or between you and your donors if your budgets are not understood in the same way by all parties.

In program management, you might face challenges in any aspect of your budget, for example:

- What happens when the budget requirements of a program donor or a trustee party conflict with your organization's current policies?
- What do you do when faced with ambiguities or uncertainty in the budget?
- How will you keep track of your actual expenses?
- How do you deal with a situation where actual expenses exceed your budget?
- What elements do you need to take into consideration when creating a budget? (How do you project a budget into the future?)
- Does your budget take risk management expenses into account?
- Does your budget include monitoring, evaluation and reporting costs?
- Does your budget cover capacity building costs?
- Does your budget include the basis for quotes?
- What is the difference between budgeting and projecting costs?

Before writing your budget, we recommend that you brainstorm and share problems you have encountered with budgeting at work, and think as a group of how you overcame those problems, and what you might do differently this time.

The Global Budget vs. Program Budgets

Global Budget: Your organization's **Global Budget** evaluates and seeks to anticipate all of your organization's expenses over the period of time it covers, usually a year. A global budget is a comprehensive organization-level budget that covers everything that your organization does, and will spend money on. This will include your expenses such as staffing, rent, and utilities, as well as the costs to carry out your specific program activities. It is likely made up of one or more program level budgets along with other costs that don't fit neatly into just one program, but are shared by the organization's different programs.

Program Budgets: A program budget provides a view of just one of the organization's programs. When you apply for grant funds, your donors usually ask to see a budget for the program. Some may also ask to see your organizational or global budget. Since global budgets can become very large and cumbersome (especially as your organization grows), it is sometimes preferable to have separate program budgets to work with on a regular basis. Program budgets are also helpful for budget management: if different staff members are managing expenditures over different programs, it is helpful to clearly separate responsibility and funds.

This handout will show you how to create both.

Step-by-step

Setting up the Spreadsheet

Once you have finished the Strategic Plan (see **How To Create A Strategic Plan** and **Template| Logic Model**), you can fill in the organizational budget, putting your actions –that is, your activities for the coming year – under "Program Costs." These costs should correspond to the actions in your Strategic Plan, as well as your Timeline.

You can create your budgets manually with pen and paper or you can use computer software. A spreadsheet program will help you keep things more organized, and reduce the possibility of calculation errors. Microsoft Excel is an excellent tool for simplifying your calculations. Alternatively, for a free spreadsheet program, visit www.openoffice.org.

We recommend you include the following columns when you build your budget:

- ☑ **Expense Item**: List each item on a separate line.
- ☑ **Calculation** or **Units & Cost per Unit**: Explain how you calculate each cost.
- ☑ **Total Need**: the total amount needed for each line.

In a simple budget, your budget should include these columns at a minimum:

Expense Item	Calculation	Total Need
Rent	$300/ months x 12 mo.	$ 3,600
Office supplies	$60/months x 12 mo.	$ 720

Another, more precise way to do this is to break the calculation into two columns, so that you have only one set of numbers in each column. In this approach, instead of a "Calculation" column, you would have a "Units" column and a "Cost per Unit" column. Here's an example:

Expense Item	Units	Cost per Unit	Total Need
Rent	12 months	$ 300/ month	$ 3,600
Office supplies	12 months	$ 60/ month	$ 720

Whichever calculation column you use, it is important that the column lists exactly how you came up with each cost. It is very important to be specific. For instance, if you pay your rent each month, it is important to know how much you pay each month, and what you will need in total. In this case, the "calculations" column says "12 months x $300/month" and the total amount we are budgeting for rent is thus $3,600.

What if you know that your rent will go up when you renew your lease? Or if you need to move to a bigger office? It is important to capture this, and instead of keeping all 12 months of your year on one line, you might split them up over two lines. It is important to remember to include all 12 months if you are budgeting for a year (and not to include extra months!)

Expense Item	Units	Cost per Unit	Total Need
Rent	3 months	$ 300/ month	$ 900
Rent (new lease or new office)	9 months	$ 400/ month	$ 3,600

Sometimes, your spending may not break neatly into months, but you may have historical information to help you plan. If you spent about $720 for office supplies over the last year, you can average the total over your twelve months to break it into units. Above, the "calculations" column says "$60/month x 12 months." This makes it easier to remember and update the number later, if we find out our calculations were not correct or the situation has changed. For those managing the budget, or donors that might review it, it also clarifies how we arrived at each amount.

The reason to spend the time going into such detail in the beginning is that later on, your estimates of what things cost may change. You want to make it as easy as possible to go back and remember how you came up with each number without having to recalculate it again each time you look at the budget – or worse, to constantly bug your colleagues with questions like, "what on earth were we thinking when we only allocated $1,000 for hotel rooms?" If your budget is detailed enough in the beginning, you can easily see what you were thinking.

For each expenditure, you should take the time when you draft your budget to research what the likely cost will be, or to look at past spending. This may involve calling some companies and doing some research online. Your numbers will likely change from year to year based on your activities or changes in market costs, so think about any differences in this year's activities if you are comparing to last year's numbers.

If you are planning a conference or workshop, here are some costs you will need to include. Remember to include budget amounts for staff in each of these categories as well.

Travel for participants: Estimate the airfare. In the calculation column, put [the estimated airfare x number of participants].

Ground transportation: Each participant may need to take a taxi to get to and from the airport – especially if the airport is in another town. In the calculation column, put the [allowance per person x number of participants]. You may want to reimburse people based on how much they actually spend, but you can also just tell each participant what their ground transportation allowance is and give each person the same amount.

Accommodations: Estimate what a hotel room will cost for one night, how many people will stay in each room, and in the calculations column, put the [estimated cost of the room x number of rooms x number of nights]. If you do not know what a hotel will cost, look online or call a few hotels and ask them. Remember that people may need to arrive a day early if your workshop starts in the morning. If participants want to stay longer than you have budgeted for them to stay, they will need to pay for those nights themselves.

Per diems: Anyone who is traveling for a program should get a per diem allowance, or be reimbursed for items such as meals, water, internet and taxis that they would only have to spend money on when traveling for your program. It is best if your organization has a policy on how much you pay for per diems, and pay everyone the same amount. At Asia Catalyst, we have a policy that all staff and program participants are given a per diem of a certain amount when traveling, regardless of who they are and where they are traveling. At Asia Catalyst, we divide the consumption standards into three tiers, for instances, in the most expensive cities like Hong Kong and Singapore, the per diems fall into the first tier (the highest); in cities like New York, we give the second tier (the medium) per diems; while all cities in China are included in the third tier (the lowest). Each organization can set its own per diem and accommodation costs policy according to your realistic standards. When you have that policy, put [amount x people participating in the program] in the Calculation column in your budget.

Additional things to include	Things **NOT** to include
If you are running workshops: ☑ Visas ☑ Meeting room fees ☑ Group meals ☑ Coffee/tea breaks ☑ Cost of a projector ☑ Interpreter’s hourly rates If you are producing a research report: ☑ Design and layout ☑ Editing ☑ Translation (of drafts and final draft) ☑ Printing ☑ Shipping/postage (to send to donors, supporters, etc.)	☑ Miscellaneous or unidentified expenses *There are often unexpected costs in a project, but you should try to plan for everything in detail when drafting a budget. Donors, bookkeepers, and auditors will never allow you to have a “miscellaneous” category because it’s a red light signaling possible fraud.* Bribes *Although this may be common practice in some countries, bribes are not a legitimate expense for NGOs.* These items should not be in budgets and should not be in your financial management system at all.

Funding your Budget

Once you have built your budget, it is important to decide how you will fund the activities you have budgeted for. This will likely be a combination of funds already received (**secured funds**) from donors and current grants as well as new proposals that you will submit to fund your programming.

You can track these requests in your budget spreadsheet by adding additional columns to the right.

At Asia Catalyst, our global budget includes several additional columns with the costs for which we have **secured funding**. Beyond those columns, we also have columns for funds applied for in outstanding grant proposals. We format each of these columns in italics to remind us that this income is not yet confirmed. We do this so that if we are applying for multiple grants to support a single project, we can see which items still need funds, and in this way we also avoid raising more for a specific item than we need. Once the proposal is granted, we make any changes required by the donor to the budget and change the column from italics to normal formatting so that we can see we now have this money to spend. We check the budget every time we need to spend funds.

Expense Item	**Units**	**Cost per Unit**	**Total Need**	**Secured Funds, Donor A**	**Remaining Balance**	***Applied Funds, Donor B***
Rent	12 months	$ 300/ month	$ 3,600	$3,000	**$600**	*$600*
Office supplies	12 months	$ 60/ month	$ 720	$600	**$120**	*$120*

- ☑ **Secured Funds**: you may need to have a separate column to show the funding that is secured.
- ☑ **Remaining Balance**: this is the amount you still need to raise.
- ☑ **Applied Funds**: these can be additional columns for proposals that you have submitted but not yet received an answer.

Expenditures Categories

When writing your budget, it is helpful to think about the type of expenses you will have, and group them into categories. This will help you remember to include all of the items you will need to spend money on throughout the year. After you've created your budget, these categories will also help you track your expenditures, and can guide your fundraising efforts.

Most organizations adopt a "**Chart of Accounts"** that serves as an internal list to break expenditure categories into smaller components – broad expense categories, and then individual expenditure subcategories that can be made more specific to meet your needs. For example:

Expense Category: **Staffing Costs**
Subcategories:
- Salaries
- Payroll taxes
- Benefits (such as health insurance)

Expense Category: **Office Costs**
Subcategories:
- Rent
- Utilities
- Cleaning services

Expense Category: **Travel Costs**
Subcategories:
- Airfares
- Ground transportation
- Accommodations
- Per diems

Expense Category: **Workshop & Training Costs**
Subcategories:
- Meeting room rental
- Workshop materials
- Group meals

Expense Category: **Health Services**
Subcategories:
- Condom distribution
- Travel for outreach
- HIV testing kits

The Chart of Accounts also ties into your accounting system and can help you track expenses by type as you go.

Do an internet search for a sample non-profit Chart of Accounts in your country. There are many templates available for free download, or if you are using an electronic accounting system, many come pre-loaded with a sample Chart of Accounts. You can and should personalize the accounts to your organization, but please consult an accountant for guidance, particularly about how you will need to use the accounts to generate data for governmental reporting or filings.

Expenditure Categories to leave out of your budget:

When writing your budget, it's also important to leave some things out. Here are a couple:

Miscellaneous expenses: Miscellaneous expenses should not be included in your budgets. Although there are often unexpected costs in a project, you should try to plan for those costs in detail when drafting your budget.

Money for bribes: Although this may be a common practice in some places, bribes are not a legitimate expense for NGOs, and offering a bribe is almost always illegal.

What is the difference between Direct Program Expenses and Indirect Expenses?

Of the expense categories above, many organizations choose to identify their expenses as **"Direct Program Expenses"** or **"Indirect Expenses."**

***Direct Program expenses*:** Direct program expenses are those spent to carry out your program activities – those listed as part of your annual strategic plan, and in accordance with your mission. These costs can be separated out by different programs and include staff time spent for each program, equipment and materials you buy for the program, travel for the program, and space you rent for program activities.

The largest expenditure in your program expenses may be the staff required to run it. Say, for example, that you are going to hire a program officer to work on the project. Her salary, health insurance, and any other benefits should go in the direct program section of your budget. If her supervisor is a program director who supervises other projects as well, then you should estimate the average number of hours a week that the program director will spend supervising this program officer. Perhaps the workload is going to be about one day per week (eight hours), except when there is a big meeting or workshop, when it will be forty hours. You can estimate about ten hours a week as an average. In that case, the program director is spending 25% of her time supervising this project, so 25% of her salary, health insurance, and social security should go into the program expenses section of your budget.

***Indirect expenses*:** Your indirect costs, sometimes known as "administrative expenses" or "overhead costs," are the costs of running the organization that cannot be directly attributed to any one program. These are often expenses that are shared across all of your programs, and some costs that are not for any specific program.

These costs are often mistakenly budgeted – which can pose problems for calculating the true costs to run your programs. In addition, costs not correctly allocated to your programs can create challenges in your fundraising efforts, as many donors have a cap on indirect /administrative/overhead expenses.

Many donors prefer to see administrative costs that are less than 20% – ideally 15% or so – of your total project budget, so it is important to budget costs accurately, and make sure that you budget costs that are directly for the program to the program costs expense categories. You should budget the costs that go directly to running the program to these categories as much as possible, including portions of salaries and rent based upon the organizational resources needed for that program.

Any cost that is a direct result of running your program is a direct cost, so remember to budget as such.

Indirect costs may include: staff time and salaries for non-program staff such as bookkeepers and office assistants, the cost of audits, telephone, internet, utilities, rental space, photocopies, technology expenses (that are not for direct program staff), etc.

In addition, you might have other costs that aren't directly linked to your programs, such as fundraising for new programs.

Identifying and understanding your indirect costs is very important when it comes time to fund your budgets. If you leave your indirect costs out of your proposals to donors and don't have another way to fund them, you will have difficulty running your programs.

When it comes time to understand the total cost of your programs and to seek funding for them, it is important to determine your indirect or administrative expenses for each project. In general terms, you should estimate what percentage of the organization's resources each project will require.

This is where it is helpful to have Program Budgets that come together to make up your Global Budget. **Imagine that we have four programs, with the following budgets:**

Program	**Program Budget**	**Percentage of Programming Budgets**
Program A	\$1,000	10%
Program B	\$2,500	25%
Program C	\$5,000	50%
Program D	\$1,500	15%
TOTAL	\$10,000	100%

Based on the program percentages above, we can distribute the cost of indirect items to the various programs in the same way. Program A would assume 10% of the indirect costs, Program B 50%, and so on.

Here's an example of some of the costs we mentioned earlier:

Item	Cost	Program A (10%)	Program B (25%)	Program C (50%)	Program D (15%)
Audit	**$1000**	**$100**	**$250**	**$500**	**$150**
Telephone & Internet	**$100**	**$10**	**$25**	**$50**	**$15**

Now, in our program budgets sent to donors, the calculations for these items may look like:

Program A:

Expense Item	**Calculation**	**Total Need**
Audit	$1000 x 10%	$ 100
Telephone & Internet	$100 x 10%	$ 10

Program B:

Expense Item	**Calculation**	**Total Need**
Audit	$1000 x 25%	$ 250
Telephone & Internet	$100 x 25%	$ 25

Staff salaries can be included in both administrative and program costs, but the same position should only appear in one section. How would you allocate salaries in both categories?

You should estimate what percentage of the organization's resources the project will require when calculating the percentage it takes in the administrative cost. **This is where having a strategic plan will make budgeting much, much easier!**

What about larger costs like staffing? Administrative staff, managers and bookkeepers, assistants and the executive director? How do you include these in the project budget?

Here's how we do it: Individual salaries are allocated based on the amount of time each individual will spend on the project (for our executive director, usually about 10%, unless she is heavily involved in implementing the program, and then that number would go up).

Sample Program Budget

Expenses	Calculation	Need	Generous Foundation	Request from Family Trust	Balance
Administrative expenses					
Executive director	$5,000/month x 10% of time	$500	0	*$500*	0
Rent	12 mo. x $500/month = $6,000 x 25% of time	$1,500	$500	*$1,000*	0
Subtotal – Administrative		$6,500	$500	*$6,000*	0
Program expenses					
Program officer	$4,000/month x 100%	$4,000	$5,000	*$15,000*	$20,000
Report translation	$5,000 flat fee	$5,500	0	*$5,500*	0
Report design	$1,000 flat fee	$1,000	$1,000	*0*	0
Report printing	10 copies x $5/each	$5,000	0	*$2,500*	$2,500
Postage	10 copies x $2/each	$2,000	0	*$1, 000*	$1,000
Subtotal – Program		$53,500	$6000	*$24, 000*	$3,500
Total Budget		**$60,000**	$6,500	*$30,000*	$23,500

Analysis

- ✓ There is a clear division between administrative and program expenses;
- ✓ It includes funding received from a Generous Donor; though the Family Trust has not yet agreed to supply funding. It is good to show your potential donor that you have some grant funds raised already, and that even if you do not raise the balance still needed, you can proceed with the project with their grant;
- ✓ Based on the need and donor columns, the balance column shows the amount of money that still needs to be raised for the project;
- ✓ No money for bribes or miscellaneous expenses;
- ✓ Total administrative expenses are $6,500, or less than 20% of the total project cost of $60,000;
- ✓ The Calculation column makes clear how each expense was calculated, including the percentage of staff time devoted to the project.

Like a strategic plan, a budget is a living document. It is important to review your budget against your expenses on a regular basis. You should also adjust your budget based on the funding you have actually received. Always update staff about any changes you make to your budget to preserve transparency.

> **Very important**: Before you send this off as part of a grant proposal, do some research and make sure to find out what your donor likes to see in a project budget. Unfortunately, each foundation has its own budget form. Larger foundations and government donors often have specific ways that they want you to break down costs, rules about things like per diems, and guidelines on how much you can spend on certain things. Some donors will not cover specific categories (such as travel expenses) at all.

There are more challenges that you are likely to encounter in the process of budgeting. You should make adjustments according to the individual circumstances of your organization. Scenarios may include:

- Expenses that cannot be calculated
- Inviting important government partners to dinner
- Preparing small gifts for training participants

For these questions, you have probably already come up with management strategies. For example, some organizations will connect some necessary expenses with the program. In the financial management system of an organization, there is a category for "unrestricted funding," for example, individual donations or income from consulting for other individuals and organizations. This funding, if its destination is not specified, can all be included in the "unrestricted funding." As its name suggests, an organization can spend this portion without restrictions. When necessary, you can use this unrestricted funding to cover the expenses towards which donors are not willing to give their funding.

Global Budget

So far, we have discussed budgeting for a specific program; the other budget is an organizational global budget that includes all of the expenses of an organization. A global budget has budgets for all programs and all administrative costs. The way to create global budget is similar to creating a program budget. Here is an example of a global budget:

Expenses	**Calculation**	**Need**	**OSF**	**LSF**	**Gates Foundation**	**Balance**
Program A: Training						
Salary: program manager	$16,000/year	$16,000	$4,000	$4,000	$4,000	$4,000
Ground Transportation	$20/person/day x 2 days x 10 people	$400	$150	$50	$50	$200
Rent	$500/day x 2 days	$1,000	$500	$300	$200	0
Curriculum Print	10 copies x $30/each	$300	$100	$100	$100	0
Tea breaks	$50/day x 2 days	$100	$100	0	0	0

Subtotal: Program A		$17,800	$4,850	$4,450	$4,350	$4,200
Program B: HIV/AIDS Outreach and Education						
Salary-program manager and assistant	$15,000/year + $12,000/ year	$27,000	$6,750	$6,750	$6,750	$6,750
Consultant	3 months x $800/mo.	$2,400	$600	$600	$600	$600
Ground Transportation	$20/day x 20 days	$400	$50	$50	$50	$250
Handbook Printing	300 copies x $1/each	$300	$150	$150	0	0
Subtotal: Program B		$30,100	$7,550	$7,550	$7,400	$7,600
Total: Programs		$47,900	$12,400	$12,000	$11,750	$11,820
Administrative						
Salary: Executive Director	$20,000/year	$20,000	$7,000	$7,000	0	$6,000
Salary: accountant	$12,000/year	$12,000	$3,000	$4,000	0	$5,000
Office rental	12 months x $870/mo.	$10,440	$2,610	$2,610	$2,610	$2,610
Postage	$40/month x 12 mo.	$480	$50	$50	$50	$330
Phone and internet	12 months x $47.50/mo.	$570	$150	$150	$120	$150
Fundraising consultant	3 months x $800/mo.	$2,400	$600	$600	$600	$600
Annual report printing	250 copies x $1/ each	$250	$125	$125	0	0
Total administrative		$46,140	$13,535	$14,535	$3,380	$14,690
Grand Total		$94,040	$25,935	$26,535	$15,130	$26,150

Group Exercise

Please read *HIV Prevention among African-American Sex Workers and Drug Users in Oakland, California*, below. Write a program budget according to the application. Discuss the program details in your group and list your budget plan on a flipchart (40 minutes). Choose a group member to introduce your plan to everyone.

- Please differentiate administrative and program costs;
- Administrative costs：project how much of your program's resources that this program will take up, as a percentage, and consider if the administrative proportion makes sense;
- Program staff salaries：make a distinction between time invested in program management and administrative management. Break the salaries down in both categories.

Group A

After reading the application, please design a budget for **Street Level Outreach**. Pay attention to the things below:

1. The scale of street outreach activities：
    - Location：
    - Staffing：
    - Time：
    - Frequency：
    - Others：
2. Content of the street outreach：
3. Outputs of the outreach：
4. Administrative costs involved in the outreach：
5. Total budget：Please create specific budget items according to the activity content.

Group B

Design a budget for **Small Group Sessions and Health Screenings**. Pay attention to the points below when creating your budget:

1. Scale of Small Group Sessions and Health Screenings：
   - Location：
   - Staffing：
   - Time：
   - Frequency：
   - Others：
2. Content of Small Group Sessions and Health Screenings：
3. Outputs of Small Group Sessions and Health Screenings：
4. Administrative costs involved in the Small Group Sessions and Health Screenings：
5. Total budget: Please create specific budget items according to the activity content.

Reflection after the exercise:

1. What, in your opinion, was the biggest problem in the whole budgeting process?
2. How did you make a distinction between administrative and program costs?
3. How did you calculate your program staff's salaries?
4. How did you calculate the administrative costs for the program?

HIV PREVENTION AMONG AFRICAN-AMERICAN SEX WORKERS AND DRUG USERS IN OAKLAND, CALIFORNIA[1]

Submitted by:

HIV PREVENTION COALITION

Submitted to:

Office of Minority Health
OAKLAND CENTER FOR DISEASE CONTROL AND PREVENTION

LOCATION:

Oakland, CA

PROJECT DIRECTOR:

G. L.

TARGET POPULATION:

African-American sex workers and drug users.

PROJECT DESCRIPTION:

Street level outreach and HIV and STD risk reduction education, access to treatment at local medical facilities.

PROPOSED YEAR 1 BUDGET:

Total $150,000

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1 Adapted from *CPN Fundamentals of Grant Writing: Facilitator's Guide*, CBA Provider Network, September 2014, <https://www.cbaproviders.org/ResourceMaterials/21/Grant%20Writing-Facilitators%20Manual_FINAL.pdf> at 120-148.

1. BACKGROUND

African-Americans account for a disproportionately high number of new AIDS cases in Oakland, California. African-Americans account for 17.8% of the county's population but 48% of newly reported AIDS cases. Within the African-American community sub-populations exist that are at even higher risk, particularly injecting drug users and sex workers.

This project will bring together two service providers: the HIV Prevention Coalition (HPC) and Highland Hospital.

The **HIV Prevention Coalition** is a community-based organization with 12 years of experience in providing street-level outreach to hard-to-reach groups, including sex workers, and drug users. HAP's bylaws mandate that at least half of its board of directors be women of color.

As part of Oakland Medical Center, **Highland Hospital** has the primary responsibility for providing health care services to the medically needy population of Oakland. Highland Hospital is committed to providing comprehensive, high quality medical treatment, health promotion, and health maintenance through an integrated system of hospitals, clinics and health services staffed by individuals who are responsive to the diverse cultural needs of the community. The hospital's Adult Immunology Clinic provides early intervention and long-term medical care to HIV positive persons, regardless of ability to pay.

2. TARGET AREA

The target area is comprised of low-income neighborhoods in Oakland, California. The population of Oakland is 43.9% black, 32.5% white and 23.6% other races/ethnicities. 18.8% of Oakland's population lives below the federal poverty level. Poverty is particularly high in three areas of town: West Oakland, Fruitvale, and East Oakland. The city's drug trafficking and sex work are concentrated in these three neighborhoods.

3. HIV/AIDS IN TARGET AREA

In 1995, for the first time, the number of reported new AIDS cases in the entire United States included equal proportions of African-Americans and Caucasians. In the following year, African-Americans represented 41% of newly reported cases, Caucasians 38%. The national shift, however, was preceded by Oakland as early as 1993 when African-Americans represented 48% of newly reported AIDS cases, although they accounted for only 17.8% of the city's population. By 1996, in Oakland, African-Americans accounted for 55% of newly reported AIDS cases (a total of 201 cases). For comparison purposes, in 1996 the national AIDS rate (cases per 100,000 people) was 27.0, while in Oakland the rate was 84.5. These figures imply that high risk behaviors remain comparatively prevalent in Oakland in general, and in the African-American community in particular.

4. TARGET POPULATION

As the analysis above suggests, African-Americans are at greater risk for HIV/AIDS and STDs. However, within the African-American community, sub-populations exist that are at even higher risk.

Injecting Drug Users (IDUs): Since the beginning of the epidemic, the percentage of newly reported AIDS cases attributable to injecting drug use has increased steadily in Oakland. In 1985, IDUs accounted for 1% of cases; in 1990, 10%; and in 1996, 21%. Furthermore, fully 74% of all persons who contracted AIDS in Oakland from injecting drug use were African-American.

Sex Workers: Prostitution is a fact of life in high-poverty areas in Oakland. In 1992, 388 arrests were made for prostitution; 58% of those arrested were African-American. While this does not imply that 58% of sex workers in Alameda County are African-American, it does suggest that the majority of sex workers who solicit on the street are African-American, because the street is the target of police surveillance. Street-based sex workers are typically at higher risk for HIV infection than other sex workers.

Attitudes of Target Population toward Social Institutions

Because they are involved in illegal activities, sex workers and drug users are understandably suspicious of criminal justice institutions. This distrust extends to other institutions, including county hospitals and county social service agencies. Sex workers tell HPC outreach workers that they feel judged by staff in such organizations.

5. SUMMARY DESCRIPTION OF THE PROBLEM

- Oakland's African-American community faces HIV/AIDS rates dramatically higher than national averages, implying the persistence of high-risk behaviors;
- Elevated STD rates are a cause of concern in themselves, and in combination with the prevalence of HIV, can prove deadly;
- Within the African-American population, the highest risk group is injection drug users. The percentage of new AIDS cases attributable to injecting drugs continues to grow dramatically;
- The target population distrusts social and medical institutions and therefore is disconnected from adequate health care.

6. CAPACITY AND EXPERIENCE OF APPLICANT

The HIV Prevention Coalition (HPC) is a minority community-based organization whose mission is to stop the devastating spread of HIV among Oakland's communities of color. HPC was founded in 1985 as an outgrowth of a sex workers' rights organization. HPC provides street outreach to high-risk populations with a staff that is predominantly African-American. In addition, HPC actively recruits outreach staff from targeted communities and populations.

<u>Evidence of Access to Target Population</u>

In the past year, HPC provided services to 16,663 persons at high risk of contracting HIV because of drug use or participation in sex work. This figure includes: 1,200 persons who were tested for HIV through a mobile clinic; 1,050 persons who attended HIV support groups; 2,471 street-level outreach contacts with sex workers, drug users, and sexual partners of the above. Sixty percent of those receiving services were women and 40% were men; 80% were African-American, 10% Latino, and 10% other races/ethnicities.

<u>Fiscal Capacity</u>

HPC's most recent audited annual budget was $747,622. Since its inception the organization has administered over 5 grants, consistently meeting program objectives, reporting requirements and audit standards. Major federal grants include: (1) HIV Prevention and Education: a $258,000/year project funded by the Centers for Disease Control (Dates: 9/93-9/97); and (2) Outreach and Support Groups for HIV Positive

Persons: $56,000/year in Ryan White funds for outreach to hard-to-reach, HIV positive populations (4/94-6/97).

7. MISSION

To reduce HIV and STD incidence among high-risk populations of African-Americans in Oakland.

8. GOALS

- To increase knowledge among IDUs and sex workers about their health status;
- To ensure timely access to appropriate medical care for sex workers and IDUs in Oakland;
- To increase knowledge about HIV and HIV-prevention techniques among IDUs and sex workers in Oakland;
- To increase the use of safer sex techniques and safer needle practices among IDUs, sex workers and their partners in Oakland.

<u>Objectives for Year One</u>
(Objectives for subsequent years are described in the Evaluation section.)

- To provide HIV and STD testing to 500 IDUs and sex workers;
- For persons who test positive for HIV, to enroll 50% at the Adult Immunology Clinic;
- For persons who test positive for an STD, to ensure medical treatment for 75%;
- To convey basic information about harm reduction techniques to 800 members of the target population;
- To have 300 members of target population commit to using latex barriers (condom, dental dam) with their clients and/or partners the next time they have sex;
- To have 200 IDUs commit to cleaning their drug outfits the next time they inject.

9. PROGRAM PLAN

A. Street Level Outreach

Street outreach will occur in neighborhoods where sex workers conduct their business. This includes the neighborhoods of West Oakland, Fruitvale, and East Oakland. At times, police crack-downs on drugs and prostitution cause shifts in locations and times at which sex work and drug trade occur. Staff will track such shifts and shift outreach accordingly.

Outreach workers will be individuals familiar with the targeted neighborhoods and with street level sex work and drug culture. The project will work hard to recruit outreach workers from the target community. Currently, 50% of HPC's outreach staff are former sex workers or IDUs. Outreach workers will use several strategies. If they know people in the neighborhood who are gatekeepers, they will use these key contacts to make further contacts. They will work through the existing network of acquaintances. If they are not acquainted with potential clients, outreach workers will research a neighborhood looking for behaviors that suggest a person fits the Project's client profile.

The initial goal of outreach is to build a relationship with the potential participant. Experience indicates that an excellent way to build a connection is to provide information perceived to be useful by the potential participant. Therefore, street level contacts will often include short and clear HIV prevention education messages, distribution of free condoms and bleach, and referrals to community resources for various needs the potential participant identifies. Outreach teams will each be issued a cellular phone and will use this to make referrals.

After an outreach contact, the worker will complete a log sheet entry. Data to be collected will include location and date, client age, sex, race/ethnic identification, number of condoms or bleach bottles distributed, client self-identified risk population, safer behavior commitment, and referrals provided. More subjective field notes are also recorded.

Effective outreach and relationship building involve repetition, and so the same outreach workers will generally canvass the same neighborhoods over a period of time, re-contacting individuals several times.

Safety Precautions during Outreach

Outreach will be provided by staff working in teams of two. Staff work in neighborhoods that are marginal and, at times, unsafe. Outreach is carried out during the daytime, evening and night. One outreach worker will engage and interact with a client while the other assesses safety factors. Some factors include:

- proximity to illegal activities;
- proximity to hostile individuals;
- street lighting; and
- volume of foot traffic.

Staff will be trained to quickly and quietly remove themselves from any setting they assess to be potentially dangerous. Staff will be issued photo identification cards indicating they are HPC employees, in the event they are mistaken by police for members of the target population. Staff will have the home phone and mobile numbers of the Outreach Supervisor and the Executive Director, so they can have quick access to supervision when needed. Outreach workers will all carry mobile phones so they can be contacted if the need arises.

B. The Outing: Small Group Sessions and Health Screenings

The primary objective of the street level outreach is to enroll people into small group risk-reduction education sessions over the course of the year and have them agree to HIV and STD screening. The small group sessions and health screenings will be held on the same day, after outreach has generated significant interest. These sessions with 6-12 participants will last about two hours and will take place in our activity center.

The goal of small group sessions is to increase participants' understanding of safer sex and drug use behaviors. In general, a session will be structured as follows: Introduction, pre-intervention quiz, discussion of safer sex/drug use practices, role-playing exercises, referrals, post-intervention quiz, review, questions, closure, and distribution of condoms/bleach.

Presentations on harm reduction and information on substance abuse and recovery will be provided by HPC staff. Information on STDs and treatment will be provided by a nurse practitioner from Highland Hospital. Any participants who wish to go into recovery can be enrolled on the spot into a residential recovery program, using Project funds allocated for this purpose. STD and HIV testing will be provided on-site.

Participants who test positive will be re-contacted and provided counseling and referral to treatment.

Mobile clinic staff (outreach workers and nurse) will return the following week to provide test results and counseling to clients. Those who test positive for HIV will be immediately referred to Highland Hospital. STDs will be treated by the nurse.

Client Incentives

Because participating in small group sessions means time away from making money or seeking drugs, HPC has found that incentives are crucial to gain participation by clients. Each client who is tested for HIV is given $10, either in cash or in the form of a food voucher. Each client who returns for results is given another $10. Refreshments are provided at small groups. In addition, a $25 door prize (either cash or voucher) is given to one client at the end of the session. This ensures that clients remain for the entire session and complete the post-test.

10. EVALUATION

Personnel

The evaluation will be coordinated by the Project Director (G.L.) with technical assistance from Dr. B., a sociology professor at the University of California. Dr. B. evaluated the effectiveness of other HPC intervention projects. The evaluation will take into account both impact objectives and process objectives for supporting activities. Objectives support the goals described above in the Goals and Objectives section.

Impact Objectives

- To provide HIV and STD testing to 500 IDUs and sex workers;
- For persons who test positive for HIV, to enroll 50% at the Adult Immunology Clinic;
- For persons who test positive for an STD, to ensure medical treatment for 75%;
- To convey basic information about harm reduction techniques to 800 members of the target population;

- To have 300 members of target population commit to using latex barriers (condom, dental dam) with their clients and/or partners the next time they have sex;
- To have 200 IDUs commit to cleaning their drug outfits the next time they inject.

Potential for Long-Term Impact and Replicability

Street level outreach in Oakland has proven effective in reducing STD rates in the past. In 1989, Oakland accounted for 25% of all of California's congenital syphilis cases while accounting for less than 5% of the state's population. Because congenital syphilis suggests multiple cases of infectious syphilis among women in their child-bearing years and their partners, the Oakland CDC established a unique collaborative project with HPC to combat the epidemic. HPC provided street outreach to sex workers and IDUs. After six months, 380 high-risk women were screened. Approximately 20% had early syphilis and were treated. This suggests that a similar partnership emphasizing not only access to treatment, but also prevention can combat the HIV epidemic.

While HPC has an unusual history and connection to the target population in Oakland, community-based organizations with a commitment to staffing from within their communities and providing culturally sensitive outreach exist in other cities. We believe similar organizations in other cities can follow our model to conduct effective HIV prevention work.

How to Maintain Financial Records

What are Financial Records?

Financial records refer to the collection of individual physical or electronic documents that provide evidence of your organization's income and expenses, and the system you use to track your individual transactions.

Your financial records are made up of two key components:

1. Evidence of your Income and Expenses
2. Your Accounting System or Ledger system

These components together, should be designed and organized in a manner that helps to ensure and prove that your organization is using its funds in the way they were laid out in your global budget.

Evidence of Income & Expenses

This evidence can exist in many forms, but in a general rule of thumb, the more precise and thorough the documentation you have, the better. Some examples of financial documentation include: monthly bank and credit card statements, invoices and bills that the organization has paid, payroll processing documents, receipts for your expenses or bank transactions, bank deposit slips, deposit logs, purchase approval forms (such as purchase orders), cancelled checks, expense reports, reimbursement requests, and petty cash slips. Other items might be evidence of funding relationships you have with others, such as grant letters and employee or consultant contracts.

Although many financial transactions can now happen online, or by other electronic means, it is important that you maintain hard copies or printouts of these electronic transactions as well.

Ledgers & Accounting Systems

In addition to maintaining evidence of your income and expenses, there should also be a centralized system or log where your financial information is kept and regularly updated.

This financial log can be kept with accounting software or created manually in physical logbooks such as accounting ledgers, journals and a checkbook. Asia Catalyst uses a computer based accounting program, which is based on traditional ledger books, but provides more functionality and easier access to information than traditional paper ledgers. The underlying principles of accounting underly both systems, and the system you choose should be based on Generally Accepted Accounting Principles, or GAAP in the country in which you are based.

Your accounting system should allow you the ability to produce periodic financial reports, which can show a summary of your financial transactions in a given period of time. Often these reports are prepared monthly or quarterly, and it is helpful to include cumulative data for the current year. We'll talk more about preparing these reports in the next section.

The state of your financial records is often indicative of the way your organization works. If your receipts are a mess and your accounting logs are missing entries, how can you be sure that your organization is effectively carrying out its mission and acting as a good steward of the funds you take in? Orderliness, completeness and accuracy are crucial in recordkeeping because good records help to prevent corruption, track your progress, and course correct in the current year, and plan for the future. Having sound finances shows that your organization is professional and reputable, and allows you space and resources to carry out your mission. Furthermore, incomplete or inaccurate financial records have legal consequences, and in many jurisdictions you will be required to make regular government filings or undergo an audit from an outside firm.

Who Needs to See Our Financial Records?

When planning out the organization of your financial records, it is important to think of the ways in which you will use them, and who will need access to what information.

There are many people who may need access to your records, including:

Current donors: they want to ensure that their funds are being used in ways that they authorized;

Staff and volunteers: they are involved in program management or financial management, who should be able to participate in monitoring your organization's financial health;

Your board of directors: they (depending on the laws of your country) may be legally responsible for your financial management;

Local and federal governments: they require registered organizations to file annual returns and undergo regular audits.

Contracts

In any relationship where you regularly pay money to an individual or are regularly receiving money from an organization, you should have a legal contract that clearly states the responsibilities of each side and the amount of money involved. This includes your donors, of course, but it also includes any paid staff or volunteers, and casual or part-time people who help with specific projects, such as translators or web designers.

Your organization should consult with a lawyer to draft a contract template that you can use with individuals who receive funds from your organization. No money should be paid until both your organization and that individual have signed the contract. You should keep a printed copy of the contract, with both sets of signatures.

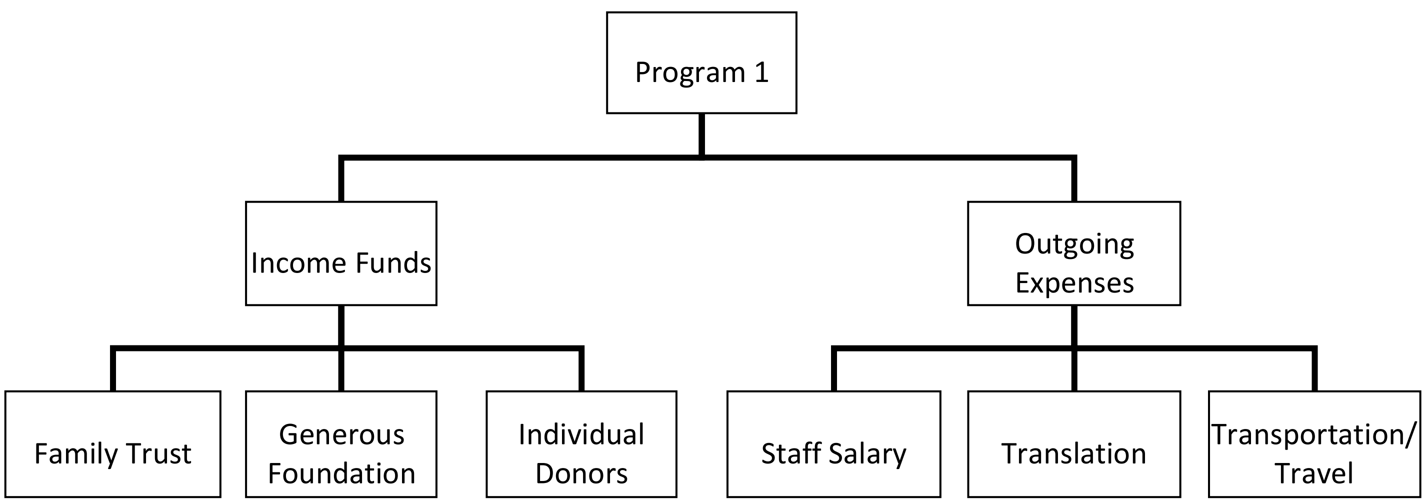
Setting Up a Filing System

Given that there are so many different kinds of financial documents, it is imperative that you have an organized system for your records. Since the point of maintaining records is that you will need to retrieve them at some point, your system needs to allow you to find what you need easily.

Consider this scenario: you are in the third quarter of your one-year grant, and you receive a notice from your donor that your first quarter expenses are being audited. You are required to provide proof of every expense you listed in your financial report to this donor. If you cannot provide receipts, you will have to give the money back to the donor.

In order to be able to handle this kind of audit, you should establish a system that is intuitive and logical. This means that it should follow some sort of rule: it can be categorized chronologically, by program, by donor, or some combination of the above. You can even use different color folders to code the different reporting periods, programs or donors. If you find it easier to look things up on your computer, you may want to maintain an online filing system in addition to a physical filing system. If you do this, you should make sure that updates are made to both systems simultaneously.

Regardless of which main categories you use to file your records, you should divide the documents up into further categories. For example, you must keep track of incoming funds, as well as outgoing expenses. These two categories can then be broken down into several smaller categories. Incoming funds, for example, can be divided into files for each grant with a separate file for individual donations. To keep up with different grants, expenses have separate files for each program and then sub-files for each type of expense. If a project consists of multiple donors, you can organize the files first by grant, and then again into categories of expenditures.



Some people prefer to have their sub-files organized by names of vendors. At Asia Catalyst, we only do this if we have a lot of vendors of the same category (for example, we have several freelance translators and each gets her own file containing invoices and records of payment).

Sometimes you will need to go through the extra trouble of dividing up a single expenditure by grant; for example, if a staff member's salary is paid by two separate grants. To keep track, you should note on the respective invoice or receipt how much of the total amount is attributed to each grant. Then it is easy to make a copy for each donor and file each away in the appropriate donor file. In each of our donor files, there are records of how much was paid by the respective donor and how much by others.

Each organization develops its own approach. Some organizations organize their financial records by date.

They record all outgoing amounts in a journal where they note the date of the transaction, to whom it was paid, for which purpose, and the amount, all in one row in the journal. They also organize their receipts according to date. Because they report on a quarterly basis, they keep one folder for each quarter in which they keep all the receipts and documentation for that period. This works well for an organization that does not have many transactions or sources of funding.

Whatever system you choose, make sure it is consistent. Explain it to at least one other person in your office in case the bookkeeper or person in charge is not around. Ideally, your system should be so logical that it is self-explanatory when someone looks at your files.

Tracking Receipts

Tracking receipts is always challenging. Everyone in the organization can accumulate receipts, and they have no uniformity: they come in all different shapes and sizes, in various languages depending on where you are traveling, and with varying levels of detail.

> If you've seen a Chinese fapiao (official printed receipt) before, you'll know that they do not indicate the exact purpose and sometimes not even the amount of the expense!
>
> To illustrate: An Asia Catalyst staffer once bought office supplies at a Chinese bookstore her receipt was MORE than she actually paid. In a case like this, you should ask for a handwritten receipt along with a fapiao because they tend to be more accurate.

Your organization should have a clear, written policy governing how funds are spent. In no case should only one person be in charge of handling funds or approving expenditures. Each expenditure should be approved by at least one other person who is senior to the person who spends the funds. If the person in charge of expenditures is the executive director, either the board of directors or a more senior group of advisors should be reviewing the executive director's expenditures and approving them on a regular basis (for instance, once a month or once each quarter).

In order to keep track of these approvals, you should have the following simple forms:

A purchase order: This is a form used by a staff person to request funds to pay for a purchase of goods or services. It should include, at a minimum, the name of the staff person, name of the company providing the goods or services, the purpose for the expenditure, cost, and the signature of the person who approved this expense. It should be attached to the receipt.

A reimbursement request form: This is a form that a staff person uses to request reimbursement for something she or he purchased, such as a hotel room while traveling, or postage from the post office. Receipts should also be attached.

A deposit log: This is a list of funds to be deposited, such as donations or grant funds. One person creates the deposit, and at least one other person should review that the amount listed in the form is attached. After the deposit is made with the bank, the bank receipt should be attached to the form.

In any case where money changes hands, you must have evidence – a receipt, a statement, or even a handwritten invoice. In situations where you cannot get official receipts, such as for per diem payments to workshop participants or traveling staff, you should have a standard form with the organizational letterhead. This form should include a place for the recipient’s name, signature, amount paid, date and purpose. It should be attached to a purchase order or reimbursement request and approved by someone more senior.

How Long Do You Keep the Evidence?

Physical documents can take up a lot of space. Once each year, you should review your documents to determine which, if any, should be destroyed. It is a good idea to consult government guidelines on what records you are expected to keep and for how long, as well as donor requirements, in order to come up with an organizational policy about document retention. The policy should spell out clearly how long you and your colleagues will keep bank statements, receipts, correspondence, contracts, and other important documents. In the United States, for example, the Internal Revenue Service (IRS) has set national guidelines published on their website. The IRS mandates that organizations must keep records for a minimum of seven years—unless you don’t file a tax or information return; then you must keep them indefinitely.

Donors may also ask you to keep records for a certain number of years. Like nonprofits, they also have to file annual financial returns and undergo regular audits. If your donor is audited, the donor may require you to produce expense documentation on a grant you received several years ago. In addition, you should not keep email records longer than necessary, because they can be used as evidence in any future lawsuits against your organization.

Consult your accountant and your country's requirements in order to draft your own document retention policy. Once a year, use the policy to go through your documents and see if there is anything you need to delete or destroy.

Keeping It Up

Effective and continuous recordkeeping requires a certain amount of dedication: you not only need to create a system, but you also need to update it regularly. It is definitely worth the trouble, though, as you will learn when (not if) you need to account for your finances to the government or to a donor.

How to Generate a Financial Report?

What are Financial Reports?

You have now learned how to create budgets (see **How To Create A Budget**) and the essentials of financial recordkeeping (see **How To Maintain Financial Records**). Financial reporting is the third and final element in ensuring that your organization is financially healthy.

A financial report provides a summary of your income and expenses over a specific period of time. As with the global budget, we recommend that financial reports are made publicly available to your staff and volunteers, so that they can monitor your organization's financial management. This helps to eliminate the risk and the appearance of corruption or mismanagement, and also keeps the organization accountable to the community you serve.

Budget vs. Financial Reports: What's the Difference?

While a budget helps you plan your program and administrative expenses, it will not tell you if your plan was accurate. A financial report (also called a budget vs. actual report) is a regular check-in to see if your expenses are within your budget: you can see how much you planned to spend, and how much you actually spent. It is important to know what your available funds are for each program and how much of the program funds you can spend on which activity to make sure that you can run your program as cost-effectively as possible. Oftentimes, grant agreements with foundations include a budget that you agreed upon. Since the funds the foundation provides to you have to be used as outlined in the budget, you need a simple tool to monitor that you spend the grant funds correctly.

There are three main types of reports you will need to produce.

1. You need to generate regular financial reports for your own organization and your board of directors to make sure that you do not spend more than you actually have, and that you spend your funds in the way approved by the donors. Many organizations produce quarterly financial reports (once every three months) for this purpose.

2. As a nonprofit, your foundation donors will usually require you to submit both financial and narrative reports about the programs they support. The grant agreement outlines the reporting times and format.

3. Depending on the guidelines in your country, you will also need to submit regular financial reports to local and federal government agencies. In the United States, NGOs are required to file one annual report with both their state government and the federal government.

> Sometimes when a project has a lot of expenses over a short period of time, it might become necessary to monitor your expenses more closely and to produce reports more often. At a minimum, every program director in the organization should know the budget for their program, and should receive regular reports about how much they have spent in their program and how much they have left.

How Do I Generate a Financial Report?

If you are using bookkeeping software there usually is a function that allows you to run a report easily. However, financial reports can also be generated manually from your account ledger – the book or document where you track every expenditure — and your budget spreadsheet.

It is easiest to create an internal financial report template by using your global or program budgets. You can simply add one column for “Amount Spent” and one for “Balance on Hand.”

Whenever it is time to create a financial report, use the entries in your general ledger or the physical receipts and add up all of the expenses for each category and enter that number in the “Amount Spent” column in your report template. Next, subtract “Amount Spent” from “Amount Raised,” and enter the result in the “Balance on Hand” column. Now you know how much more money you can spend on that item.

Finally, add up all of the “Amount Spent” to find out the total amount spent in this period, and all of the “Balance on Hand” to arrive at the amount currently still available for the budget.

Expenditure	Calculation	Need	Income/amount raised	Amount spent	Balance on hand
Rent	12 months x $500/mo.	$6,000	$6,000	$1,000	$5,000
Office supplies	$60/month x 12 mos.	$720	$600	$50	$550

Please refer to the **Sample| Financial Report** for more detail.

Every report you produce should indicate the date you created the report (for example, March 31), and what time period it covers (for example, March 1-31).

Make sure that only one person at a time is in charge of creating reports and making changes to templates. Otherwise, you will not know what has been included in the report and what has not.

Is There a Standard Template?

Much like your budget, a financial report may look different depending on the purpose. As discussed in **How To Maintain Financial Records**, there are many people who may be interested in examining your finances. A financial report can include more or less detail depending on your audience. For example, a financial report to a donor needs to be tailored to include the specific categories of information designated by that donor. If a foundation gives you a grant for producing publications and materials for a conference you are hosting, you need to make sure that a category for “Publications/Materials” exists in your financial report to that foundation.

Most likely, the financial report you generate for that foundation will look different from a financial report that you produce for board members or the executive director, who may just need to understand which programs are fully funded, how much money your organization currently has on hand to pay the expenses for the next few months, or what activities still require fundraising.

Board members may not want to know every detail. So rather than including detailed specifics such as "Publications/Materials at Conference ABC," you may just have one line that combines all of the conference costs.

Accountability

Once each month, you should obtain a statement from the bank that lists all of the income and expenses for that month. Someone in the organization should check that statement and compare it with the financial report for that month in order to be sure that the reports are accurate, that no money has been misspent, and that both your organization's and the bank's records are completely accurate. This is called "bank reconciliation," and in addition to the person who performs the reconciliation, a second person (such as the executive director) should review the bank reconciliation to confirm that it is accurate.

Setting Deadlines

Over the course of a year your organization will need to produce different reports for different people, and different deadlines and requirements will apply to these. To stay on top of all the requirements, mark reporting deadlines in your annual timeline or calendar. If you do not have much experience with financial reports yet, make sure to give yourself plenty of time. Mistakes can happen easily if you are in a hurry and it is always harder to explain and correct a mistake later. Make sure there is enough time for a second person to check your financial reports for accuracy.

SAMPLE|GLOBAL BUDGET

Total Income should equal the sum of all "Income" columns in each row. The Balance will be the Need minus Total Income. This is the amount that you still need to raise for this budget line.

Organization name							
Date							
			INCOME	**INCOME**	**INCOME**	**TOTAL INCOME**	**Balance**
Administrative costs, not including program staff	**Calculation: Explain in detail how you came up with the cost**	**Need**	**e.g. Global Fund**	**e.g, member fees**	**e.g. another foundation**		
Salaries							
Full-time staff	For example, 3 people @ $29,000/yr	$ 87,000.00					$ 87,000.00
Part-time staff							$ -
Accountant							$ -
Rent							$ -
Utilities							$ -
Computer							$ -
Internet							$ -
Software							$ -
Telephone							$ -
Photocopies							$ -
Postage							$ -
Annual audit							
Website registration fees							$ -
Administrative total		**$ 87,000.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 87,000.00**
Program costs							
Action 1							**$ -**
Program staff							$ -
Transportation	$20/person x 20 people	$ 400.00					$ 400.00
Per diem	For example, $50/person x 20	$ 1,000.00					$ 1,000.00
Hotel	For example, $80/room x 10 rooms	$ 2,400.00					$ 2,400.00
Other cost (Explain)		$ -					$ -
Other cost (Explain)		$ -					$ -
Action 1 subtotal		*$ 3,800.00*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 3,800.00*
Action 2							
Program staff							
Transportation	For example, $20/person x 20	$ 400.00					**$ 400.00**
Other cost (Explain)		$ -					$ -
Other cost (Explain)		$ -					$ -
Other cost (Explain)		$ -					$ -
Action 2 subtotal		*$ 400.00*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 400.00*
Action 3							$ -
Program staff							**$ -**
Transportation	For example, $20/person x 20	$ 400.00					$ 400.00
Other cost (Explain)		$ -					$ -
Other cost (Explain)		$ -					$ -
Other cost (Explain)		$ -					**$ -**
Action 3 subtotal		*$ 400.00*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 400.00*
Program total		**$ 4,600.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,600.00**
Budget Total		**$ 91,600.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 91,600.00**

SAMPLE| FINANCIAL REPORT

asia catalyst

This is a sample of a financial report. Typically, when you prepare a financial report, you will need to submit receipts for all expenses to your donor and you will need to annotate the item, vendor, amount and date on each receipt. Scan or send the original receipts to your donor according to your donor's requirements.

Financial Report

Name of the Organization:	***Youth Care Group***			
Name of the Project:	***Research on New Drugs Usage Among Teenagers***			
Project Period:	*2015.2-2015.9*			
Reported Period:	*2015.4-2015.9*			
	Budget	**Total Income**	**Total Expense**	**Balance**
Budget Item	**Administrative Costs**		**Admin Expenses**	**Admin Balance**
A	Training materials, venue rentals, office supplies and etc.	¥ 14,982	¥ 10,000	¥ 4,982
	Program Costs		**Program Expenses**	**Program Balance**
B	Interview fees(¥153 x 35people)	¥ 5,355	¥ 4,000	¥ 1,355
D	Transcription(¥245 x 35hrs)	¥ 8,568	¥ 3,568	¥ 5,000
E	Questionnaire fees(¥18 x 200copies)	¥ 3,672	¥ 1,670	¥ 2,002
F	Telecommunication/transportation(¥200 x 6 months)	¥ 1,212	¥ 1,200	¥ 12
G	Report Printing (¥2000)	¥ 1,836	¥ 1,800	¥ 36
H	Others (Please specify)			
	TOTAL INCOME	**¥ 35,625**		
		TOTAL EXPENSES	**¥ 22,238**	
			TOTAL BALANCE	**¥ 13,387**

1. A per diem is considered what type of expense?
    a. Program expense
    b. Administrative expense
    c. Miscellaneous expense
2. Fill in the blank: Most donors require administrative costs to be under____% of the total budget.
3. Please think about a method that can make your budget more transparent, aligning with the idea of “human rights begin at home.”
4. You have been looking for new office space for weeks and finally found a small activity center in a local CDC. In order to rent it, you have to invite the CDC director to dinner. Where does the cost of the dinner go in your budget?
5. You started a program of anti-discrimination and anti-stigma against PLHIV with the support of Fridrick Foundation. This program can support a small part of your administrative costs. If this program takes up 18% of your total work time, how much, as a percentage, can this program account for in your office rental?

Fundraising

NGOs play an important role in society, but many of them encounter obstacles in their development and building for sustainability. One such obstacle is raising funds to carry out their work. Sustainable funding is one of the keys to ensure an organization's effective operation. Fundraising is also a non-stop effort that will likely comprise the majority of the work done by the executive director of an organization.

Beginning with **How to Build Relationships with Donors**, this chapter aims to equip you with skills and provide an institutional donor's perspective on fundraising. It is important to be able to describe your organization's work in concise and compelling terms, so that you can "pitch" your work successfully to a donor. **How to Conduct a Five-Minute Pitch** is a simulation exercise for you to practice pitch methods after considering your actual circumstances. We have analyzed two grant proposals in **How to Write a Grant Proposal** — one for an HIV/AIDS prevention program in Oakland and another for a youth health program in Toronto. You will learn the qualities of a successful proposal by studying the strengths and weaknesses of these examples.

In the supplemental readings, we have included another article written by a institutional donor on fundraising — **Toolkit| 10 Things Not to Do in a Funding Proposal**. This article describes how to avoid the mistakes that many NGOs make when applying for funding. You can use the **Template| Pitch Preparation Form** to organize your thoughts and make sure you cover all key information. You can keep record of your activities to look for potential donors by using the **Template| Donors Prospecting** in combination with the strategic plan and budget that you completed in the previous chapters.

Fundraising Challenges

Almost every organization faces challenges in fundraising. You have to figure out who might be interested in your organization's work and how to reach them. You have to present your programs in a way that appeals to the donor you are targeting. And you have to build trust and maintain relationships with your donors. This work can be more difficult if your organization lacks a clear strategic plan or staff who can dedicate time to fundraising.

Brainstorming Exercise

Before introducing fundraising skills, conduct a brainstorming exercise with staff and volunteers who have participated in fundraising activities.

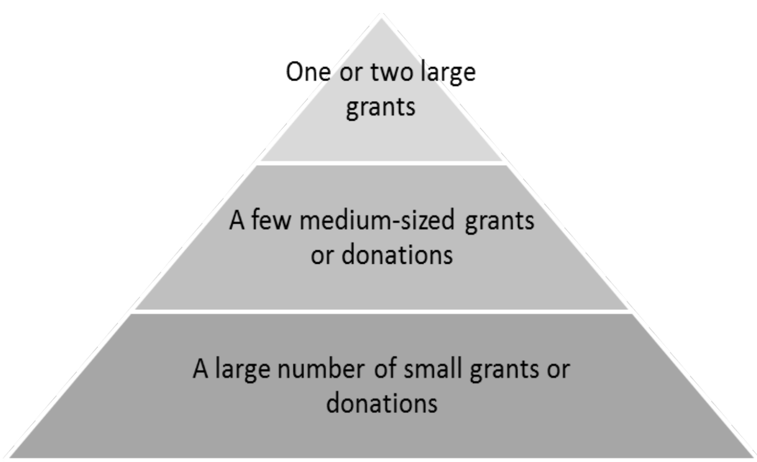
1. Hand out index cards to everybody and ask them to write down one or two challenges they have experienced in fundraising.
2. Gather the cards and tape them to the wall, putting similar cards in the same category.
3. Guide the participants to read the cards out loud. When someone read a card that is interesting, ask the person who wrote the card to share a story that relates to that challenge.
4. After reading all of the cards, summarize the challenges people have encountered in fundraising.

The majority of small NGOs face one common issue: they rely on just one donor. This creates instability in organizations because:

- Donor priorities shift constantly. Health rights could be a priority one year, but the next year it could be something else;
- The staff at donor organizations may move on to other jobs, so the program officer who loves your work could be replaced by a program officer with entirely different interests and priorities;
- Some organizations have limits on the number of years they can support one NGO;
- Foundations face their own financial challenges that impact their ability to provide funds or support certain kinds of programs.

It is important to develop a fundraising plan that enables you to diversify your organization's funding sources. The plan should be based on your annual budget (see **How to Create A Budget**) and it should include systematic and regular cultivation of multiple donors. This way, if you lose one donor, you can still count on the support of others. As a result, you will be more capable of surviving changes in the funding environment.

How many donors should you have? That depends on your organization's budget size, your ability to conduct various fundraising activities, and your capacity to manage grants (i.e. proposal writing and reporting). When it comes to diversifying your organization's sources of funding, you can think in terms of a pyramid：



How to Build Relationships with Donors

In order to develop relationships with donors, you should have a few key tools that you use regularly and systematically. Examples of such tools include: a newsletter that you send out by email or mail regularly; a special event or two each year at which you thank existing donors and cultivate new potential donors; a direct appeal letter or email that you send once or twice a year to ask for contributions from individuals; and a group of people(like a board of directors or a group of advisors) who can help you make connections and raise funds.

Remember also that **peers give to peers**. At some point, you will need to raise funds from people you do not know; they may work at a foundation or a corporation or maybe they are an individual donor. Before you approach them, you should figure out if you or someone in your network know someone who is a peer to that person. Then you can ask that peer to help you by making an introduction and building the relationship.

Your annual program timeline should include your fundraising activities, for example: deadlines for grant proposals and reports, deadlines to send out newsletters with updates about your work, the dates of special events for cultivation and thanking donors, and times when you meet up with people who are existing supporters to report back about your work. The timeline should remind you every few months to contact current or potential future donors (including those who have said no, but who might be interested in the future) and give them a call or meet to tell them your NGO's latest news. For instance, when you have a major accomplishment or piece of news, it is a good idea to contact your existing donors and supporters to update them and say, "This is an example of what we have been able to do, thanks to your support."

You can think of the relationships you have with people outside your organization as belonging to three concentric circles: “People who don’t know and don’t care,” “Friends,” and “Advocates.”

This is the “circle of intimacy.” The outer circle is people who do not know your organization and do not care about the issues—yet. The middle circle is people who know a bit about your organization and have some interest in the issues and may occasionally come to one of your events. The inner circle is the people who advocate for you with others: the passionate supporters.

Your systematic cultivation of prospective donors should aim to move people from the outer circle into the middle circle, and from the middle to the inner circle.

Develop Individual Donors

Cultivating individual donors can be done through one-on-one meetings where the director or staff update the individual on the work and keep him or her interested and engaged; a regular weekly or monthly newsletter with updates on your work; and annual parties, thank-you events, small private dinners, or other events where donors can connect with both program staff and the people who benefit from your work. For many donors, this personal feeling of connection with the work they are supporting is what inspires them not only to make donations, but also to encourage their friends to give as well. Again, “peers give to peers” is also important as sometimes you might want someone else to ask for donations from their peers, on your behalf. so you want to help the people who support you to turn into people who will ask others to support you.

> **Use of Social Media:** With the increasing popularity of social media, many organizations have begun to focus on fundraising from the public and individuals via smart phone apps, social networks, etc.; organizations have also developed fundraising activities by generating news stories in the media. If you are considering such options, you need to make sure that you understand any legal consequences to your fundraising strategies; for instance in China, the <*Charity Law*> prohibits individuals and organizations without public fundraising qualifications to fundraise from the public. As a group, you also need to determine what you are best able to do or what is practical for your organization, and then decide what makes sense for fundraising. In this chapter, we mostly concentrate on fundraising from foundations and not individuals, although much of this information can be applied to strategies that target individual donors as well.

Develop Institutional Donors

Foundation Program Officer Position Profile

When applying for funding from foundations, organizations usually need to have contact with the foundations' program officers. Program officers have detailed information of grant applications and make the first decisions on applications. However, your contact with them should not only be limited to submitting applications. Normally, you can build a relationship and gain a significant amount of useful information simply by asking questions, which also shows program officers that you are determined and active. Considering situations from a potential donor's perspective can help you communicate with your donors at various levels more easily. Knowing both yourself and your donor well are essential to success. Although every individual is unique, we can begin to understand foundation donors by considering the common responsibilities and priorities of a program officer.

A typical foundation program officer has:

- A large area of responsibility, *e.g.*, all of China, the Asia-Pacific region, or a long list of countries in different parts of the world that are difficult to reach;
- A sum of money that must be spent each year to meet foundation requirements
- Restrictions on areas that he or she can fund, *e.g.*, HIV/AIDS and policy advocacy, or services to migrant children;
- To make recommendations on which grant applications to fund to his or her boss or board of directors;
- A duty to the foundation's core principles and image. Money must be spent in a way that is responsible and aligns with the foundation's mission;
- To ensure that grantee organizations are reliable and accountable. This is why many NGOs who have multiple donors are able to get

more funds than smaller, lesser known organizations, because, from a donor's perspective, they are a safer investment;

- To handle a large volume of paperwork and attend many meetings – sometimes they do not have many opportunities to personally inspect grantee organizations;
- Relationships with other program officers and other institutions. Philanthropy is strategic, much like NGO work, so coordination is key. Program officers often ask each other for formal and informal references on grantees, and may be able to help you in reaching out to new funders in the field.

Things that are Important to a Foundation Program Officer

We all wish that the important work conducted by organizations would not have to be suspended as a result of insufficient funding, and that foundations could fund all organizations based on their needs; however, now that you know the typical responsibilities of a program officer, you must understand that they are subjected to many restrictions when deciding who to fund. So, to see which organizations that program officers choose to fund, we should also take a look at their priorities, based on the requirements of their duties.

They are looking for:

- NGOs that are doing meaningful work and that are capable of completing their projects;
- NGOs that handle money responsibly and submit reports in a timely manner;
- NGOs that have a good reputation;
- NGOs that do not fight with other NGOs that the donor supports or fight with other donors;
- NGOs that do effective work and demonstrate concrete benefits from their programs;

- NGOs that work safely and in a way that is sustainable;
- NGOs that have the support of other foundations. As mentioned above, this suggests that it is a safe investment and likely to succeed because the NGO does not just rely on one donor for all of its income.

Training Game

Relay Race: What is important to a foundation's program officer?

Instructions:

1. Divide participants into two groups.
2. Put two desks in the room, with paper and markers on each desk.
3. Ask participants of each group to stand on the opposite sides of the room.
4. Ask participants "What things are important to a foundation program officer?"
5. Each person in the two groups has a turn to write his answer on the paper when the music starts.
6. Each person can only write one answer for each cycle. One answer equals one point.
7. When the game is over, calculate the total scores of both teams. The group that receives the higher score wins.

Note：Incomplete and duplicative information should not count towards the group's total score.

Once you understand a foundation program officer's responsibilities and perspective, you will need to improve your own strategies and think of institutional donors as long-term investors (which is often the case).
Here are a few more things to keep in mind for developing and sustaining relationships with institutional donors:

- ✓ **Organization's Success**: You need to understand the donors and they need to care about your organization's success.
- ✓ **Future References**: If you build a good relationship, they are more likely to be long-term supporters, recommend you to others, and help you obtain many more opportunities.
- ✓ **Keep Them Interested**: If you do not keep them interested and engaged in your work, they may not fund you next time.
- ✓ **Keep Being Competitive**: They are always meeting new NGOs. You can only keep competitive by constantly improving yourself.
- ✓ **More Donors**: They want to see you be successful and they want you to have many donors, which also causes their investment to be secure and effective.
- ✓ **Collaboration**: They want to see you cooperate with others. Donors are often more likely to fund two groups working together than one group alone.

The key to building relationships with institutional donors is to understand and appreciate their perspectives. For more information, please read the article on the next page, **How Donors Think**, written by Daniel Wolfe, the Director of the International Harm Reduction Development Program at the Open Society Foundation.

How Donors Think[1]

Daniel Wolfe

- Donors hope to have "insurance" for the programs they fund;
- Understand donors' prioritized key words;
- It is a happy combination if your goals and expectations are consistent with those of your donors.

I worked for an AIDS NGO before I became a donor, and there are many things about donors I wish I had known when I worked for an NGO. Perhaps the most important thing is understanding how donors think about what they do.

Donors have an ambivalent relation to other donors, but they usually like the "I will if you will" dynamic — where one donor will put in funds because they are reassured that another donor has also regarded the program positively. At the same time, donors also like taking sole credit for things and talking about their particular impact, so in many cases the best situation is one in which you, the NGO, are getting co-funding, but can also identify the "special" contribution a particular donor is making.

1. *Understanding donor priorities:*

Donors also like to see you get support from other donors because it makes us feel like a project is less vulnerable if we change our minds, which we do more often than we like to admit. Doctors in the West diagnose children with attention deficit disorder, ADD, and prescribe them medications. Sometimes I think someone should diagnose donors with DDD — donor deficit disorder — because donor priorities frequently change. Sometimes this is because of a change in government in the donor's home capital, or because a new boss came to the donor

[1] Available at http://asiacatalyst.org/blog/2009/12/07/how_donors_think/

organization, or because one division ended, or because a donor decides that a particular country has "graduated" (which is usually code for the fact that they don't see it as useful to work there anymore). Because of all of this, it's safer for you to have another donor in your back pocket.

Donors always have priorities — and you should feel free to ask them if there is, in writing, a document that spells these out. Then try to see if there is a way in which your proposal to a donor can seem responsive to what they say is most important to them. Donor priorities come with words they like. These move and change, and like fashion trends, often become popular among multiple donors at the same time. One year all the donors may be talking about "sustainability," or "advocacy" or "monitoring."

Knowing what a particular donor is interested in supporting, and figuring out whether the project you have meets their priorities, is one-half an objective assessment of your work, and one-half a storytelling exercise. What do your staff and supporters understand to be the story of your organization? Where do you start? Where are you going? Who are the heroes of your story? What challenges do they find on their way? When your story matches the story the donors are telling about their own work, this is a happy combination.

2. *Finding funding for advocacy:*

At my organization (the Open Society Foundation (OSF), formerly known as Institute (OSI)) Public Health Program, one word we like right now is "advocacy." This doesn't always translate very well into the languages of countries where my program works, but if I had to define it, I would say **it means action to change the laws, policies, and practices of those who hold power over other people**. (I know one trainer who shows a picture of a hand on a light switch, and tells people that advocacy means thinking about whose hand is on the switch and how to move it to the "on" or "off" position. Who can make it happen? What information do they need to be convinced? Who needs to carry that information to them? What it will take for there to be change and light?)

- Think about how you would show, at the end of a year, whether the money you received made any difference;
- It's better to be able to tell the donor about a concrete change, or a step toward change, that came out of those meetings.

OSF is less concerned than a lot of donors with evaluation, in part because we are a private foundation (meaning that we get our money mostly from private donors, not from a government). In general, grants from governments mean more evaluation, more paperwork, and less possibility of small grants. But even we at OSI, who like to be flexible, have to evaluate the impact of advocacy efforts. When you are funding service programs, it's easy to define outcomes — so and so many people reached with a clean needle, so and so many clients seen by lawyers, and so on.

With advocacy, especially since policy change can take a long time, it's harder to know at the end of a year whether the money we gave made any difference. For you as NGOs, this means also thinking about how you would show, at the end of a year, whether the money you received made any difference. Of course, funding always makes some difference. If you had twelve meetings you didn't have before, that is something, but it's better to be able to tell the donor about a concrete change, or a step toward change, that came out of those meetings.

- Donors would like to see small but concrete changes
- Don't squeeze your organization into a shape that will get you the funds

3. *Focusing on "small" changes*

As a donor working with groups that often get grants of $20,000 or less, one big piece of advice I would give is to keep it small. Sometimes, reading proposals, I feel like NGOs are good at capturing their ideal aspirations, like "changing the punitive paradigm that keeps drug users treated as criminals rather than patients". But what I would really rather read as a donor is what small and concrete change will happen.

It's unlikely that my grant for $10,000 dollars can undo the discriminatory social paradigm into which governments have poured millions of dollars and thousands of hours of propaganda. It's more realistic that an NGO working locally can get the local social benefits office or provider of HIV treatment to stop writing the names of drug users or people with HIV on the board where anyone can read them, or that an NGO can help convince the local health department to issue a regulation allowing methadone to be provided in maternity hospitals. Those are small but concrete advocacy successes that will make a donor proud of the grant we gave you. An even greater challenge is to write how you were able to make positive change for others beyond the members of your group — change that can be reproduced at the level of the province, or the national government.

Finally, it's a good idea to decide what you want to do and try to raise money for that, rather than trying to squeeze your organization into a shape that will get you the funds. Some pragmatism may be necessary — it's true, for example, that there is a lot more money in the world for HIV programming than for human rights or drug policy. But if you go for a project that your organization doesn't really care about, you may get the grant but lose your soul.

Daniel Wolfe is director of the International Harm Reduction Development Program at the Open Society Institute. IHRD works in 23 countries to protect the health and human rights of people who use drugs.

How do you find donors?

Now that we have discussed how to build relationships with donors by appreciating their perspectives, you might ask: where should I find these donors? What should I do after identifying them? Next, we will focus on how to find donors and on practical communication skills with donors. Remember, this chapter mainly focuses on institutional donors; nevertheless, for individual donors and fundraising from the public, you can use these skills and methods as reference.

Keep in mind: an **executive director** should be constantly searching for donors; 50% of his or her time should be on fundraising. Your **board of directors** should always be looking out for you. The key responsibility of a board of directors is to help an organization to operate effectively. Some organizations have a board of directors but it exists in name only. We recommend that an organization fully utilize the resources that its board of directors can bring.

Where can donors be found?

- **Nonprofit annual reports** of other organizations or networks – usually they will mention donors, grant amounts and programs they support;
- **Foundations**' **official websites** – you might need to read English to comprehend the information as many international foundations' websites are in English;
- **Email groups** – many people working at NGOs are in email groups; donors will publish calls for applications through these email groups, so be aware of these opportunities;
- **Ask your friends** – it is good practice to share donor information with colleagues and introduce your peers to your donors. This is not only a kind thing to do for your peers, but also it impresses donors; donors like to see organizations working together and cooperating well. Hostility and competing for resources makes a bad impression;

- **Ask existing donors** for ideas – as mentioned before, foundation program officers often communicate with each other, thus they have broad connections and resources for you to discover;
- **Embassies** – they usually have grants to support NGO work; they will also hold social events regularly where you can build your network for fundraising;
- **Foundation Center** (www.foundationcenter.org) – collects the latest news and information from many foundations globally (but there is a membership fee); alternatively, there are many similar online platforms serving the same purpose, some of which may be more or less popular in different regions;
- **Peer give to peers** – if you see a good lead for one of your friends, pass it along. Ask your friends to do the same.

In addition to the methods listed above, you may need to discover some other methods according to your organization's particular situation. For example, you can search key words via search engines like Google and Baidu or send enquiries and emails to foundation program officers. Keep a positive and proactive attitude when seeking funding, so that you may consider and take advantage of new opportunities as you conduct your search.

Research the donor

We have introduced the key to building relationships with donors – thinking from their perspectives – and how to look for donors. However, in the process of searching for and interacting with donors, you need to keep in mind that your ultimate goal should always be to receive funding. Therefore, avoid taking random steps, like sailing without a compass. Every donor has its own position and focus. If you are a children's rights organization, then spending a large sum of time pursuing funding from a foundation that focuses on environmental protection is not very appropriate. We suggest you conduct thorough background research on the donor and evaluate if your program is within their focus areas, before reaching out to a foundation or applying for a grant.

You can research potential donors by:

- Asking peer organizations, friends and colleagues about their experiences with the donor;
- Visiting the potential donor's website and paying attention to:
    - The organization's mission statement and the language they use. This will help you to analyze a donor's preferences and scope; for example, if a donor uses "health," "advocacy," and "rights" repeatedly, then you can pretty much draw the conclusion that they like programs aimed to ensure people's right to health through advocacy work;
    - What grant amounts they give. Consider the question of the grant amount for which you applied in **How Donors Think** – if your budget is $10,000, then it is not practical for you to apply for a foundation which normally gives grants that exceed $100,000;
    - What other projects they have funded. Donors are more likely to fund similar projects again;
    - Do they say "invitation only" or can you apply directly? Some foundations do not call for applications directly but send out application invitations to designated organizations.

Checklist for Donor Meeting

- ☑ 5-minute pitch
- ☑ Dress neatly
- ☑ Pen and notebook
- ☑ Annual report of your organization
- ☑ Flyers
- ☑ Publications
- ☑ Strategic Plan
- ☑ News reports
- ☑ Business cards

Very important: all materials must be in a language that your donor understands.

Reach out to the donor

It is worth reaching out to donors even if they have not yet published a Request for Proposal just to establish a relationship. The steps are:

Preparation

When meeting a potential donor, you need to:

- Email to request a meeting to introduce your work and learn about what they do; better still if you can be introduced by a peer or mutual friend;
- Prepare a five-minute pitch to describe: why your group is important, your successes, your plans, and a list of projects (in the next section, you can practice the skills behind a successful five-minute pitch);
- Prepare a donor kit: your organization's annual report, flyers, published materials, strategic plan, news articles and business cards;
- The materials you bring should be in their language. Do not give them a stack of Chinese materials if they do not read Chinese; include, at most, only one item that is in a foreign language.

Meeting the Donor

When you have a meeting set up, you want to make sure that you are well-prepared and leave a positive impression. But you also want to use this meeting to better understand the donor's point of view and their funding priorities. In the meeting, you must be professional:

1. Be on time and be neatly dressed; do not wear t-shirts or jeans;
2. Bring paper and pencil and take notes; make sure to keep notes on each meeting you have with a donor, including the actions you need to do to follow up;
3. Turn off your cell phone;
4. Listen more than you talk. Remember, you are gathering intelligence about a prospective donor.

This is your golden opportunity to learn about a donor's interest, so make sure you listen carefully when they talk. In the meeting, you can pay attention to:

1. What terms do they use? Try to use similar language, if appropriate;
2. Ask questions: What are projects that they feel have been successful? What are challenges they see in this area? What are the trends?
3. What are they passionate about?

If it seems like there is an overlap between what you do and what they do, pitch a project. We will introduce you how to prepare for a program pitch.

Meeting Follow-up

Whatever happens in the meeting, you must follow up the next day:

1. Send an email thanking them for the meeting;
2. If you mentioned any materials or resources in the meeting, send them immediately;
3. If they encouraged you to make an application, then apply. If they did not, then do not;
4. Invite them to join your mailing list and/or to attend future events;
5. If this is a potential major donor, give them a call every three to four months to update them personally.

If they do support you with a grant, does this mean your work is over? Absolutely not! Your work has just started. You need to make efforts to keep them interested and engaged in your work. If they fund you once, they may do so again. Thus, make sure：

1. Regular updates! Not just grant reports, but phone calls, visits every few months to tell your donor "Here is what we have been able to do with your support";

2. Acknowledge them publicly. For example, when launching a report supported by your donor, you can write: “This report was published with the support of the Frick Foundation.”;
3. Always submit grant reports on time. Honesty and trustworthiness are the basis of collaboration, so try to do things as you promised; moreover, a contract is needed when a donor decides to support you, so whatever is contained in that agreement will be legally enforceable;
4. If your budget is going to change significantly, *i.e.*, by 10% or more, call them first to ask if it is okay and explain why. You never want to have any surprises in the grant report;
5. Ask them for advice – “We are thinking about doing X, is that a good idea?”
6. Always give them good news;
7. If there is bad news, make sure they hear it from you first. Remember, foundations often talk to each other; so if you do not tell them, they will hear about it very quickly from someone else. Present bad news in such a way that you also emphasize the parts that are good news;
8. Hold one donor cultivation event each year where potential donors can meet people who benefit from your work and hear about the great work you are doing;
9. Create a monthly newsletter if you do not have one yet to send an email with your NGO’s news to people who are current or potential future supporters;
10. Hold an annual event to thank everyone who has supported your NGO in the past year – not to ask for money, just to say thank you.

Key Points of Building Relationships with Donors

- ☑ Do your research before you meet;
- ☑ Maintain professionalism when meeting with a donor, listen and ask questions;
- ☑ Prepare a five-minute pitch for a few back-up projects just in case;
- ☑ Send a thank you note and keep following up, systematically – with both good news and bad;
- ☑ Donors have to spend the money – your job is to make it easy for them;
- ☑ Good NGOs share donor information and make introductions among their peers and donors;
- ☑ Build relationships through systematic cultivation over a period of time, whether or not they support you;

Donor Pitch Exercise: The Five-Minute Pitch

Every staff member should have a five-minute pitch prepared, in order to ensure that everybody can take advantage of opportunities to raise funds whenever they arise. You never know when you will come across an opportunity. Different circumstances require different pitches, so we have prepared two possible scenarios to illustrate this. Scenario 1 is a meeting by chance. Scenario 2 is a meeting for which you can prepare. Please practice five-minute pitches based on the two scenarios.

Note: Scenario 1 uses an elevator as location but this could easily be in any situation when you happen to meet someone. You can also plan these kinds of short meetings. For example, when you attend a conference you go through the schedule in advance and see if anyone you need to meet will be presenting or will also participate. Then you can prepare to have a short conversation with that person. At conferences, other people will want to do the same thing, so you will need to prepare a concise pitch.

Scenario 1

You are in an elevator at a conference and Bill Gates walks in. You have five minutes before the doors will open and he gets out.

Goal: To get him interested enough to meet with you

You need to let him know：

1. Your work and responsibilities; the issues you work on are urgent and your work is important;
2. A real and strong case to show the impact of your program;
3. A concrete, specific and detailed explanation on what support you could use from him;
4. Outcomes of the program, and why you are capable of implementing this program;
5. Thank him for his time to listen to your pitch.

Attention

A pitch in a coincidental situation is not a:

- ✗ Complete summary of your work;
- ✗ Chance to show off your professional statistics and data;
- ✗ Chance to show off your knowledge;
- ✗ Repetition of the same conversation with every potential donor;
- ✗ Repetition of the pitch you have done two years ago.

It should:

- ✓ Cover basic facts;
- ✓ Be clear and concise;
- ✓ Tell an appealing story or case;
- ✓ Use your time well;
- ✓ Be tailor-made for the pitch targets;
- ✓ Attract your targets to get to know your program more deeply.

Scenario 2

The Frick Foundation is an international foundation, supporting grassroots groups campaigning for health rights.[1] The program officer has come to town and a friend has made an introduction for you to meet him. A meeting is set up and you have five minutes to pitch your program. First of all, you need to do some research on the Frick Foundation.

> *"The Frick Foundation is a private family foundation that was founded in 1978. In that year, world leaders met in Alma Atta to declare 'Health for All' a major development goal. Inspired by this vision, the three Frick brothers (pictured above) founded the Frick Foundation to help make 'Health for All' a reality. Since 1978, the Frick Foundation has supported grassroots public health groups in over 30 countries. The foundation started supporting programs in China in 2010 and is interested in expanding its China grant program. The Frick Foundation will accept applications from any Chinese NGO that works on issues of gender and sexuality. Although the foundation was started by three brothers, they are particularly interested in supporting organizations that have women in positions of leadership."*

You have 20 minutes to prepare and five minutes to present. We suggest you practice with your partner and ask him/her to provide feedback on your performance. If you are practicing as a group, other group members can play the program officers from the foundation. In preparation, you can use the **Template| Pitch Preparation Form** to make sure you fit in all of the most important information you need to cover for each scenario. Write down your thoughts, below.

[1] The Frick Foundation is fictional and was made up for the purposes of this exercise.

Notes for a Successful Program Pitch

- ☑ Never just say "We hope you'll support us" – have something specific in mind. ay instead: "You mention that you have supported X in the past, we are planning to do similar project Y, our project budget is about Z, is this something that might fit your program?"
- ☑ Don't ask for more than they usually give – ask on the low end of the range for a first grant, so if they usually give grants of $10,000 to $100,000, it is best to start with a $10,000 grant. If they feel their investment was successful, they may give you more the next year.
- ☑ If they say no to your pitch or seem not very excited, then listen to their criticism and comments, consider their perspective, and try a few more project pitches.
- ☑ If nothing you are doing fits what they support, then say so: "It seems like our plans are not a good fit right now, but can we stay in touch as we grow and share other ideas with you as they arise." Donors really appreciate it if you respect when it is not a good fit and do not try to push them too hard.
- ☑ Never seem desperate, even if you are.

Proposal Analysis

Another important task in fundraising is proposal writing. Many organizations have already had experience with writing proposals. One way to improve your proposal writing skills is to analyze sample proposals and see what their strength and weaknesses are. You can borrow what is outstanding and avoid making the same mistakes. The exercises set forth below will help you.

Proposal One: *HIV Prevention among African-American Sex Workers and Drug Users in Oakland, California*

We are going to start our discussion by talking about the sample grant proposal that you read from an HIV/AIDS group in Oakland, California. It has appeared in How to Create a Budget-Exercise in Program Management Skills (2)—Financial Management. Here are some questions to think about:

1. How is the proposal organized? Is there anything missing?
2. What are the strengths?
3. What are the weaknesses?

Proposal One Outline[1]

1. Title **2. Background** **3. Target Area** a. HIV/AIDS in target area **4. Target Population** a. Target population's attitude towards social institution **5. Summary description of the problem**	**Local Knowledge**: These sections should illustrate the applicant's knowledge on the local community and expertise on the target area, community and existing problems.
6. Capacity and experience of applicant a. Evidence of access to target population b. Fiscal capacity	**Capacity:** The applicant should show their capacity to manage this grant, including fiscal management and collaboration with target population.
7. Mission	**Mission:** The mission states the ultimate goal of the organization**.**
8. Goals a. Ultimate goal b. Objectives for the year	**Specific objectives:** These objectives should also be the program's results in one or two years – these can be compared to the "outputs" from a strategic plan.
9. Program plan a. Street level outreach (safety precautions during outreach) b. The outing: small group sessions and health screenings (client incentives)	**Program description:** The applicant should explain how to implement the program in detail in this section. This section should also include details on risk management, or how to ensure program staff and target population's safety. It is best to include: 1) a budget form that distinguishes between administrative and program costs; and 2) a timeline of the program and person responsible for each action.
10. Evaluation a. Personnel b. Impact objectives c. Potential for Lnlg-term impact and replicability	**Evaluation**: A proposal should include how the program will be evaluated, and who will evaluate it. It makes the proposal convincing if the applicant can specifically illustrate how the program's success can expand and be replicated in other cities by other organizations. Donors like to hear about how programs can be repeated and applied elsewhere, because that means their investment can bring about bigger impact.

[1] Adapted from *CPN Fundamentals of Grant Writing: Facilitator's Guide*, CBA Provider Network, September 2014, <https://www.cbaproviders.org/ResourceMaterials/21/Grant%20Writing-Facilitators%20Manual_FINAL.pdf> at 120-148.

Proposal One – Analysis

Strengths	Weaknesses
+ Exhibited local knowledge on target area, population and community. Evidence of access to target population; Summary description of the problem; Target population's attitude towards social institution	- No detailed budget broken down into administrative and program costs.
+ It includes research on the issue and a deep understanding of relevant information. Description of target area; HIV/AIDS in target areas; and target population	- The mission or ultimate goal is not mentioned until page four, but it should be stated at the very beginning of the proposal.
+ Evaluation methods are clearly stated: including who will do it and what indicators will be used to assess the impact. Evaluation; personnel; and impact objectives.	- No timeline for the program that breaks the project down into individual, concrete steps over time.
+ Discussion on risk management Safety precautions during outreach	
+ Shows strengths in fiscal management Fiscal capacity	
+ Discussion on the potential of replicability among other regions of the program Potential for Long-Term Impact and Replicability	

Next, we provide another proposal and its analysis — **Proposal Two:** *Youth Health Awareness Project.*

Proposal Two Outline[2]

Youth Health Awareness Project

HIV/AIDS and Hepatitis C

Submitted to: Health Canada

Submitted from: Toronto Cares

Name: Youth Health Awareness Project

Goal: Youth make good decisions about their health

Sponsor group: Toronto Cares

Project Summary:
The mandate of our organization is to give information to people in our region that will help them make healthy decisions for themselves and their families. We will be working with the local school and health center on this project.

The objectives and activities of this project are:

Objective 1: Help prevent the spread of new infections of HIV/AIDS and hepatitis C.

Activities:

- Hold a regional workshop about the health risks of self-piercing and self-tattooing.

[2] Adapted from *Sample Proposal: Youth Health Awareness Project*, NWT Literacy Council, <http://www.nwtliteracy.ca/resources/comdev/proposal_writing/sample_proposal_youth_health_awareness_project.pdf>.

- Develop public service announcements to help prevent HIV/AIDS and hepatitis C.

Objective 2: Understand what life is like for people infected with HIV/AIDS and hepatitis C.

Activities:

- Develop and distribute learning resources.
- Write and perform a community play.

The expected results of this project are:

- More youth will know more about how to help prevent the spread of new infections of HIV and hepatitis C.
- Youth will better understand what life is like for people infected with HIV/AIDS and hepatitis.

The tools that will be used to measure the results of the project include workshop attendance and evaluations, feedback from youth, teachers, contractors, project records and financial reports.

The project will produce:

- A resource about HIV/AIDS and hepatitis C.
- A workshop for youth about safe practices for self-tattooing and body piercing.
- A community play about HIV/AIDS and hepatitis C written and performed by youth.
- PSA announcements written by youth about HIV/AIDS and hepatitis C.

The project results will be disseminated through a written evaluation. It will be given to all stakeholders in the project.

Project description

The overall goal of this project will help youth make good decisions about their health. Youth in our region are at risk of contracting HIV and hepatitis C through risky self- tattooing and body piercing. Youth do not have an understanding of how HIV and hepatitis C can affect their lives. This project is needed in our region as more and more youth are being diagnosed with HIV and hepatitis C in our communities.

Our target audience is youth between the ages of 13 and 15. Our activities for this project are:

- Hold a regional workshop about the health risks of self-piecing and self-tattooing and to teach safe practices. We will bring in a health worker to deliver this workshop along with a person who specializes in tattooing and body piercing. The workshop will be one and a half days long and will be open to 25 participants from our community and the region. We will bring in 3 youth from each community and we will have 10 youth from the host community. Travel and accommodation will be provided to youth through this project.

- Develop public service announcements to help prevent the spread of HIV/AIDS and hepatitis C. The PSAs will be written by youth in the community and region who participated in the workshop. The public service announcements will on the local radio station. They will air three times a week for 10 weeks.

- Create a community play about HIV/AIDS and hepatitis C and the risks of self-tattooing and body piercing. We hope to work with the local community theatre group to develop and deliver this play. Youth will be involved in writing the play, acting in the play and stage managing. This is a great way to engage youth developing something positive for the community.

- Develop a learning resource for youth and teachers, to explore stories and people infected with HIV/AIDS and hepatitis C. The resource will be given to participants in the workshop and to teachers in the region. The resource will have information, stories and handouts for students. It will provide teachers with a resource that can be used immediately in the classroom.

The school will host the workshop and help recruit participants, the health center will provide support and workshop assistance. Both these partners see how this project benefits their organization and the community.

The evaluation of the project will provide information on the number of youth that attended the workshop, the number of times the PSAs play on the local radio station and the number of youth who helped to write the PSAs. The evaluation will also include the workshop evaluations and the resource evaluations from both youth and teachers. We will provide information on the number of youth that participate in the community play and how much time they spend developing and producing the play.
We hope that the plays will be well-attended and will report on the number of people who attend.

At the end of this project more youth will know more about how to help prevent the spread of new infections of HIV and hepatitis C. In addition, they will better understand what life is like for people infected with HIV/AIDS and hepatitis. This project will promote healthier living for youth in our region. We hope that the workshop, resources, PSA announcements and the community play will promote safe practices around tattoos and body piercing. We also hope that it will provide youth with much needed information about HIV/AIDS and hepatitis C.

Description of Your Organization

Toronto Cares is an alliance of community-based organizations committed to promoting adolescent and child health in Toronto and surrounding areas. We are doctors, nurses, social workers, public health professionals and community organizers dedicated to improving the health of youth in our communities. We were founded 10 years ago and currently operate out of Toronto University Hospital. Our governance board includes representatives from each of the six organizations that comprise Toronto Cares.

Need for the project

In the past few years youth have started to pierce their own body parts and tattoo themselves. We have no professionals in our community to provide these services. Youth need good information appropriate to our culture and geography about the risks involved with these activities and how to do them safely. Youth also need to better understand the consequences of risky behavior.

Potential partners:

Community school and Health Centre.

The school will host the workshop and help recruit participants, the health center will provide support and workshop assistance. Both these partners see how this project benefits their organization and the community.

Program Global Budget：

Administrative Expenses	Calculation	Need	Fund from Youth Care Foundation	Fund applied from Family Foundation	Gap
Executive Director's Salary	$2,000/Month x 10% x 6Mo.	$1,200	0	$1,200	0
Rent	$500/Month x 6 Mo. x 25%	$750	$750	0	0
Sub-total: Admin		**$1,950**	**$750**	**$1,200**	**0**
Program Expenses					
Program A：Workshops					
Program staff	$1000/person/months x 100% x 2 people x 6mo.	$12,000	$5,000	$5,000	$2,000
Meeting room	$200/day x 2.5 days	$500	0	$500	0
Transportation	$100/person x 25 people	$2,500	$1,000	0	1,500
Accommodation	$100/person /day x 25 people x 2.5 days	$5,000	0	$2,500	$2,500
Printing and tea breaks	$300	$300	0	$300	0

Expert fees	$200/person x 3 people	$600	0	0	$600
Program B—PSA					
Transportation	$10/person x 5 people x 5 times	$250	$250	$0	$0
Program C — Community Play					
Transportation	$10/person x 5 people x 10 times	$500	$250	$0	$250
Brochure	$300	$300	$200	$100	0
Program D — Resources Development					
Printing	$5/Copy x 300 copies	$1,500	$500	$500	$500
Mailing	$100	$100	0	0	$100
Sub-total: Program		**$23,550**	**$7,200**	**$8,900**	**$7,450**
Total		**$25,500**	**$7,950**	**$10,100**	**$7,450**

Proposal Two – Analysis

Strengths	Weaknesses
+ It includes a simple and clear program budget.	- The budget could be more detailed (for example, the printing and tea breaks in Program A are not divided). - There is an error in the budget. The calculation for the ED's salary was wrong. This will leave the donor with a negative impression of the program.
+ Expenses in the budget are broken down into different categories with calculations for each item.	- Although the budget is simple and direct, the narrative statement of this grant proposal is quite weak. Toronto Cares should provide more background information, as well as information on the importance of the problem. The program they propose is also vague. For example, they discuss developing a "learning resource," but never define what this resource will actually look like.
+ The budget also lays out the amount requested from the donor in relation to other revenue and in-kind support.	- The narrative could also be strengthened by the inclusion of a program timeline or logic model that breaks the project down into individual, concrete steps over time.
+ The narrative clearly states each objective and lists activities under each.	- The goal of their project – "youth make good decisions about their health" – is too general. The goal should clearly state the group they hope to help (youth in Toronto) and the issue they want to address (HIV and hepatitis C infection from self-tattooing).

Template| Pitch Preparation Form

Note：We introduced how to prepare for a pitch in this chapter. When you practice, you can guide yourself through the pitch by using this form. Make sure you can cover every item listed in the form.

1. Who are you Briefly introduce your organization, including your mission, target area, locations and population.	
2. Urgency Explain the urgency and significance of the matters you aim to solve. Why should the donor support this program now?	
3.Successful Case Share a story of a success that happened recently.	
4.Program Design Share how you would go with the programming. Who does this program help? How long is it going to last? What are the expected outputs?	

Template | Donors Prospecting

Note: You have already created a strategic plan, as well as a timeline and budget based on the strategic plan. Healthy and stable management of an organization is the key for sustainable development and the foundation of your fundraising work. It is time to conduct your fundraising activities, using this chapter in combination with your strategic plan and annual activities. This template aims to help you identify potential donors and make plans to cultivate your relationship.

1. Please list at least 5 actions to collect donor information.

1. E.g. collecting information online
   ____
2. E.g. asking partners about donors' information
   ____
3. ____
   ____
4. ____
   ____
5. ____
   ____

Note: Three questions for your consideration:

1. There is a lot of information and resources online, but what websites do you plan to visit and what information can these websites provide? How would you collect the resources that are helpful for you?
2. Among the people I know, such as colleagues, volunteers and board members, who can share with you some donor information?
3. Where do donors get information about NGOs? Is it possible for us to attend these kinds of events?

2. **Plan your activities under each action, review the information you have collected and discuss your follow-up plans.**

Action: e.g. Collect information online	**Results**	**Next Step**	**Person Responsible**
Activity 1: E.g., Search website with information of all foundations	E.g., Identified 15 foundations working on the same issues	E.g., Visit each of the 15 foundations' website	E.g., Mr. Zhang

3. **List potential donors that work in the same area as you. Keep a complete and living document to capture key information about donors, any interactions you have had, and planned next steps.**

Donors Names	**Funding Priorities**	**Recent Funding Plans**	**Interactions**	**Next Step**	**Person Responsible**
(E.g., Family Foundation)	(E.g., Youth health, sex education, etc)	(E.g., reproductive health education in Asia)	(E.g., wrote an email to the program officer)	(E.g., arrange a meeting with the program officer)	(E.g., Mr. Zhang)

Note: While searching for donors, organizations need to keep track of the information gathered in order to better organize information, plan for the next step, and avoid duplicated work. You can add more columns to this table and make it a separate document to keep all donors' profile. The columns can include, but are not limited to, donor background, program officers' information and contact numbers, etc.

4. Based on the first three steps, choose a potential donor who is likely to work with you, but that you have never contacted. Reach out to the donor and build a relationship with them. Record the whole process.

1. Why did you choose this donor? List three main reasons:

   a. ____

   ____

   b. ____

   ____

   c. ____

   ____

2. How will you obtain the contact information of the donor and how will you build a sustainable relationship? List three main actions:

Action 1：

____

Action 2：

____

Action 3：

____

(E.g., obtaining contact information via a mutual contact, sending out initial introduction and inquiry emails, and sending your organization's briefing materials, etc.)

3. How will you conduct follow-up for the three actions listed above?

Actions	**Person Responsible**	**Deadline**	**Follow-up Plan**
Action 1 (E.g., email to the foundation's program officer)	(E.g., Mr. Zhang)	(E.g., June 30^{th})	(E.g., Respond to the email before the deadline and plan for the next action.)

Note: This is an article written by a foundation program director, which shows things to avoid in fundraising from the perspective of a donor.

10 Things Not To Do In A Funding Proposal[1]

By Louisa Greve

You might be surprised at some of the mistakes NGOs make when writing funding proposals. Here are ten of the more serious missteps NGOs make — and how to avoid them.

1. Don't disregard the funder's proposal guidelines. Funders ask that you follow their proposal format because this will provide the information that they need. If you don't provide that information, they cannot consider the proposal seriously. If you don't have some of the information that the guidelines request, explain honestly why you do not have it.

2. Don't ask for too much money or too little money. Look up the funder's past project lists and make sure the amount of money you request is within the range of the projects the donor has funded in the past. If your proposal asks for too much money, or too little money, compared with the funder's standard grants, the funder will not be able to grant the request. At best, the staff will ask you to revise it. At worst, the funder will simply reject the proposal.

3. Don't ask for an amount of money that does not match up with the scope of your project. Give an explanation that shows why the amount you

[1] Available at http://asiacatalyst.org/blog/2009/11/16/top_10_things_not_to_do_in_a_funding_proposal/

are requesting is the right amount to cover the real cost of the work. Usually this means that you should write a detailed budget.

4. Don't criticize other projects as a way to show that your project is superior. Other NGOs or projects may have their shortcomings, but don't criticize them. Instead, describe the challenges that all similar projects face and explain how your project will address those challenges in order to be as effective as possible.

5. Don't criticize the funder's approach or current projects. If you do not respect the decisions of the foundation's staff and board, why do you expect them to have the good judgment to fund your own project? On a more human level, you are not likely to persuade other people to trust you if you imply that you do not respect their judgment. Instead, highlight how your approach will enable you to make progress. Overall, your proposal should focus on providing good reasons why your project can make an extremely positive contribution to goals that you and the funder share.

6. Don't show disrespect for the people your project will help by dwelling on their weaknesses. Instead, describe the help that they need in a way that demonstrates your deep respect for their human dignity, focusing on the challenges they face and how your project will assist them to achieve their goals.

7. Don't promise to achieve objectives that are impossible to reach this side of heaven. ("Provide access to justice for the people of Country X," "Implement the rule of law in Country Y," "Educate the people of Country Z about...,"). No single project can hope to educate the entire population of a country, or remake an entire country's legal system. Explain honestly and modestly what your project can realistically achieve after one, two, or three years of work.

8. Do provide verifiable evidence that your approach has a chance of succeeding. This can include your organization's track record, the track records of the individuals involved, success stories of other projects that have used similar models, and any other evidence that shows that your project will meet your objectives. Provide website addresses, media articles or the names of respected experts who know your work so that the people reviewing your proposal can independently check the information provided in your proposal.

9. Don't exaggerate your organization's past achievements. Funders will only entrust money to people who are trustworthy and honest. They respect people who explain realistically what they have achieved in the past and what they expect to achieve in the future.

10. Show your enthusiasm and commitment to your cause! Funders respect expertise and experience, but they also want to know that you are passionate and dedicated, and that you will work hard to achieve the noble goals that you and the funder share.

Louisa Greve is Vice President for Asia, Middle East & North Africa, and Multiregional Programs, National Endowment for Democracy.

1. How can you get to know your donor? Please list two pieces of advice.

2. You are browsing a potential donor's website and you know very little about this donor. What are three things you need to pay attention to on their website?

3. After researching your donor on the website, you call an NGO peer to know more about this donor. What are two questions you should to ask?

4. You are preparing for a meeting with a potential donor. List/describe three points you should cover in your program pitch.

5. You have finally met the donor and have made your pitch. The donor is very interested in your program, but your focus is not part of their target area. What would you do next? Describe in 2-3 sentences.

6. Read the two statements below and choose the one with which you agree. Use 4-5 sentences to explain. Your answers should be based on your real feelings.

   Statement 1 : "NGOs should view fundraising as a competition. The funding resources are limited compared with the large number of NGOs. When one NGO gets support then it means another one can't. Therefore, competition in fundraising is very important."

Statement 2：“NGOs should cooperate in fundraising. In terms of the strategy, it brings more success when everybody exchanges information and collaborates, rather than viewing each other as competitors.”

7. Arrange the actions below in a logical order:
   (a) Finalize a strategic plan;
   (b) Create a program timeline;
   (c) Finalize an annual budget;
   (d) Create a strategic plan internally;
   (e) Get feedback on the strategic plan from allies;
   (f) Draft budget internally.

Volunteer Management

Establishing a system for managing volunteers and giving them an opportunity to develop new skills and responsibilities can strengthen your organization and make it more stable in the long run.

Before you begin recruiting volunteers, consult **How to Plan Volunteer Projects** to outline the projects you need help with, and use the **Template | Volunteer Project Chart**, **Template| Volunteer Job Chart** and **Template| Volunteer Database** to help with keeping track of important information about your volunteers. When you have an idea of what you need help with, go to **How to Recruit Volunteers** for advice on how to find people who are a good fit. You can also use the **Template| Questionnaire for Volunteer Interviews** to lead you through an interview with a candidate.

After you have recruited volunteers, **How to Conduct Orientation and Training** shows you how to break the ice, what you should cover, and how to integrate volunteers into your group. If you have several volunteers, it is helpful to create a system, and **How to Set Up a Volunteer System** can help you do that. The **Template| Volunteer Database** will help you keep track of important information about your volunteers and interns.

Your volunteers may become future NGO leaders, or leaders in your own organization. **How to Develop Future Leaders** is a tool to use in identifying who may become a future leader, preparing them for leadership, and helping volunteers to grow within the organization. When volunteers leave, you can ask them to give you feedback via the **Template| Volunteer Exit Memo**, so you can learn from the experience and improve it for future volunteers.

Why Volunteers?

There are many reasons to include volunteers in your organization. Your staff may be overloaded and need some extra hands or you may want to expand the base of support in your community. You may also be interested in training members of your community to address their own issues and in empowering them to speak out.

In the first chapter, you and the members of your organization wrote a vision statement together, describing what your ideal society will look like in twenty years. Realizing these vision statements, and creating the social change behind them, is not something one person can accomplish alone; it will require building the capacity and skills of your staff. In order to do this, you need to think about developing the next generation of leaders of your organization.

A good place to start leadership development is getting more people involved in your work. But once they are mobilized and involved, the question becomes: how do you manage them, build their skills, and develop their leadership capacity? That is where volunteer management comes in. It is important to have a good system for recruiting and managing volunteers so that the organization's needs are met and to ensure that the volunteers feel that they have a good learning experience. A well-managed volunteer program enables volunteers to feel successful, advances your organization's goals and enhances your organization's reputation. That is why it is important to discuss how to create equitable, effective volunteer management systems.

Many of you have significant experience managing volunteers or doing community organizing. For some of you, volunteers are a way to help you to run the organization when you don't have enough money to hire staff. For others, volunteering is a way to empower the community you serve and to enable them to be leaders in the work you do. Some groups do not use volunteers at all.

In this chapter, we present the approach that we have found works best for developing a system to manage volunteers and develop leadership. Before we discuss that system, please consider your experiences with volunteers and think about:

1. What are some things that have worked well?
2. What are some challenges you have experienced?

Mutual Needs

When you design a volunteer management system, you are building a foundation for new relationships. You do not know where those relationships will lead when you begin this process. Some volunteers will drop out after a month, while others may become involved for years and could eventually become leaders in the organization. One of the first things to think about before recruiting volunteers is what everyone involved needs from the relationship. Let us take a look at what your organization might need, compared to what a potential volunteer might need.

As shown in the table below, you and your organization are hoping to fulfil some or all of the needs listed. Similarly, your volunteers also have certain expectations when they come to work at your organization. It is important to note that your needs and their needs might be different:

Your Organization's Needs	The Volunteers' Needs
• More hands to get work done; • A larger network of supporters/members to develop the work; • To empower members of the community to address their own problems; • A core team to grow the organization; • A pool from which you can develop new leaders.	• A supportive community and a group of new friends; • A chance to contribute to something constructive; • Empowerment and self-expression; • Discover ways to solve common problems; • To have a good time/discover and develop multiple sides of themselves; • Work experience that can lead to other professional opportunities; • Gain new skills/knowledge; • Receive a reference for future employers.

Creating a volunteer system, with regular practices and tools, is an important way to ensure that your organization runs smoothly even if there are people coming and going every few months. The structure provided by an established system will enable volunteers to be and feel successful and make all volunteer activities predictable and reliable. Creating such a system requires you to consider and position the needs of your organization and your volunteers.

First, when designing a volunteer system, you need to keep in mind that **volunteers will only contribute their time if their needs are satisfied** – this is also the core of volunteer management. If they do not feel satisfied, then volunteers will choose to leave. Telling them things like "you should be interested, because this is for the whole community and you have to support our work" is not effective. People will not sacrifice their time simply because they think they are obligated. In fact, the best volunteers are those who do not feel obliged to work for your organization. Volunteering should be an experience that makes everybody feel energized and excited, so it is important to set up a system that ensures that every volunteer feels like they are making a positive impact.

For different organizations, this goal can be reached through different approaches. Some organizations rely on volunteers who come along and conduct some group activities for a few hours, then go home happy and feeling creative. Some other organizations view their work as a campaign or awareness raising activities. They need volunteers to contribute and engage more deeply. No matter what your organization's goal may be, you need to consider implementing a system of volunteer management that allows volunteers to start with a minimal workload before increasing participation and enriching their learning experiences at your organization.

Next, we introduce how to set up a volunteer system step by step:

1. Plan a Volunteer Project Schedule
2. Recruit and Hire Volunteers
3. Orientation and Training
4. Managing Volunteers
5. Developing Future Leaders

Plan Your Volunteer Project Schedule

Before you begin recruiting volunteers (see **How To Recruit Volunteers**), you should come up with an outline of the projects you need help with and create a schedule that offers a few different volunteering opportunities.

1. Volunteer Schedules

Different organizations will have different schedules for their volunteer programs depending on the kind of help they need and the type of volunteers they want to engage. For example, if your volunteers are mostly students, we suggest following a four-month term. Whichever time period works for your organization, it is a good idea to make it a set length of time with a beginning and an end. Here are some of the benefits of a scheduled cycle for volunteers:

- It is a good bonding experience for new volunteers to start and go through orientation together;
- If a volunteer is not a good fit for any reason – for example, she may be unsuited to the job or cannot get along with others – you have a chance to end the relationship naturally at the end of the term;
- If the volunteer is great, you can offer her a promotion or new responsibilities at the end of the term;
- Volunteers know that if they are not happy with the work, they can change jobs after the end of the term. This allows volunteers to better manage their own investment.

2. Volunteer Project Timeline

It should include:

Recruitment
When you reach out to new volunteers

↓

Orientation
When all new volunteers are trained

↓

Mid-Term Evaluation
When you meet and discuss performance with each volunteer

↓

End-of-Term Exit Interview
When you conduct one-on-one meetings with each volunteer before they leave

↓

Thank You Event
Meeting or event at the end of the term to thank your volunteers and the people who supported them

3. Designing a Schedule

If your organization has never had a structured volunteer program before, we recommend designing a volunteer schedule with just one or two weekly projects that require small groups of volunteers. Perhaps a few times a year, you can add on a work party or public event/action where all the volunteers and other supporters are invited to participate.

These should be projects that do not require a high level of expertise and can be taught in one-day training sessions. Volunteers who do well at the basic tasks can take on more responsibility or leadership roles by becoming more vocal and active in the monthly meetings.

When designing a schedule, please pay attention to:

- ✓ Keep time commitments to a minimum at the start. For new volunteers, do not ask for too much – a few hours per week is plenty. Even though some volunteers are very enthusiastic and wish to work for 20 or 40 hours a week, you need to let them prove themselves with a few hours at first. Depending on their performance you can increase their working hours over time. Set a clear time commitment. Discuss with the volunteer how much time she can commit and encourage her to be realistic. Give new volunteers a lighter load to start with to assess how fast and how well he or she works, and adjust accordingly.

- ✓ Make it easy for volunteers to succeed. Make it very clear what the goals are for each project, and set goals that are easy to achieve. This will make it easier for volunteers to feel successful. Volunteers who feel that they have failed or that they have taken on more responsibility than they can manage will stop coming in.

- ✓ Set clear guidelines and steps for the project. This will help everyone to keep up with what is happening and who is responsible for what.

- ✓ Include gradual steps in which volunteers can take on greater responsibility and develop new skills. Let new volunteers know that if they are successful, there are opportunities for them to grow in the organization and take on more leadership. Someone who comes often and contributes a lot could become the head of a volunteer project later or could have the opportunity for special training or travel.

When designing a volunteer project, begin by assessing the areas for which you need help and what skills are needed for each area. This will help you determine the kinds of people you need to recruit. For instance, if you are publishing a magazine, you may need people to help with planning the issue, writing articles, editing them, designing the magazine, finding pictures and getting permission to use them, and distributing the magazine. You may need people who are good writers or who are very detail-oriented.

A very different project would involve visiting women at home who have health problems and giving them support and assistance. For that project, you might need people who are empathetic, who know a little bit about medicine, who know something about the local hospital system, and who can help women to get the medical care they need.

For each project, you should be able to answer the following questions. Based on your answers to the questions below, you will be able to fill out the **Template| Project Chart**. You will also want to keep track of your volunteers with the **Template| Volunteer Database**.

- ✓ What is the project and why does it need to be done?
- ✓ What are the steps involved in getting it done (*e.g.*, "First we need to do X, then we need to do Y…")?
- ✓ How many people do you need for the project and what skills do they

need to have?

- ✓ How much time each week does each person need to spend to get the project done?
- ✓ Is there an end date for this project? If it is an ongoing service, how long will you ask volunteers to help out?
- ✓ Do you need security checks for the volunteers (*e.g.*, if they will be working with children, or handling funds)?
- ✓ Will you have to provide transportation for volunteers?

Example: Volunteer Project Design Exercise

You are designing a simple program for a new group of sex workers.For this program, you will be conducting the activities below and, for each activity, you need different volunteers:

Street-level outreach to sex workers: A group of volunteers commits to spending two or three hours on one night a week talking to sex workers on the street and in their work places, and distributing condoms and health and safety information.

A weekly activity night for kids: One evening a week, the office is open to anyone who wants to bring children by for group activities, while the parents have tea and chat. A group of volunteers is responsible for opening the office, buying refreshments, planning activities for kids, and coordinating the activities.

4. Volunteer Job Descriptions

The job description should reflect the answers to all of the questions listed above in order to help volunteers understand their responsibilities better.

Title

Give the position a short title that helps the volunteer with his identity, responsibilities and sense of belonging in the organization. It also indicates what the volunteer will do so that the team can understand the position better.

Major Objectives

Describe the goals that the volunteer will work towards in one or two sentences.

Schedule & Location

Detail the number of hours and days of the week the volunteer is needed, and the place where the volunteer will perform the job: in the office? at home? at school? Also include information about other aspects of the time requirement (*e.g.*, cross-time zone work).

Major Responsibilities

List specific duties and responsibilities.

Qualifications

List any skills, education, knowledge, and age qualifications needed to perform the job; stress whether you are looking for volunteers from certain communities or with special backgrounds.

Length of Commitment

Specify the length of work: what is the start and end date? how many hours per week?

Training Opportunities and Other Benefits

List the general and specific training associated with the position. List any expenses that will be paid or materials provided.

Benefits

List what benefits they can get (*e.g.*, lunches, T-shirts, and other opportunities to develop themselves).

Contact of the Volunteer Coordinator

List the contact information for the people who will manage the volunteers.

Exercise: Design a Job Description

Please design a job description based on the information below:

- Provide consultations and support for children undergoing antiretroviral therapy;
- Weekly home visits to two HIV/AIDS affected families outside of the orphanage;
- Organize monthly activities (arts, nutrition, music, etc.) for HIV/AIDS affected children and parents outside of the orphanage;
- Organize weekly activities (arts, nutrition, music, etc.) for HIV/AIDS affected orphans in the orphanage;
- Organize three non-discrimination conferences at local schools with the participation of school teachers and parents.

The five activities mentioned above all need volunteers, choose one of them and design a job description.

After learning about volunteer project planning, we have to come back to the core of volunteer management – that is, while working with volunteers, there are some tricky problems that every organization will face.

Who is the "Boss"?

Ideally, your organization should be a place where every member has the right to be involved in the work you do. But in practice, some people need to be responsible for a program's effective implementation. Most importantly, when setting up a program team, recruiting staff and volunteers, and building relationships with other teams, at least one person has to be the key contact, providing names, email addresses and phone numbers for other people to reach the team.

This person needs to position herself as "providing support to volunteers" rather than managing volunteers and giving orders. It is essential to build a strong team that supports everyone, especially for volunteers. The volunteer coordinator or team leader should ensure that every volunteer understands your organization's mission and expectations, and they should have necessary skills and knowledge to be a volunteer. In addition, if a volunteer encounters any problems or begins to lose interest, the coordinator or team leader should try to look for solutions to keep them engaged without wasting the limited resources of your organization.

The people in charge of managing volunteers should be good listeners, patient, organized, efficient, and should have strong communication skills. If a person is impatient, grumpy, aggressive, and always misses or forgets important information, then this person is not suitable for managing volunteers. Ideally, the volunteer coordinator's main duty should be working with volunteers without distraction from any other matters. In fact, some larger organizations – and small NGOs that have established a large volunteer base – might need a paid volunteer coordinator to work with their volunteers (sounds nice, doesn't it?).

If one volunteer proves herself or himself to be reliable, then it is a good idea to promote this person to be the team leader.Every volunteer project needs a volunteer to be the team leader. You need to know this person and make sure that she or he is reliable and experienced. This person needs to arrive early to every event and activity to prepare and review work every week with the organization's volunteer coordinator or program manager in order to communicate the progress of the project and the status of all of the other volunteers involved.

Do we need to pay volunteers?

This is a very important decision and different organizations have different practices. Paying volunteers is considered normal in many countries, but there are also reasons why you might choose not to pay your volunteers:

- If some people get paid for their contribution while others do not, it may cause a sense of unfairness and distrust in the organization;
- You may not get enough funding to pay all of your volunteers;
- If volunteers get paid, they may feel responsible to the people who pay them, instead of to the rest of team.

Besides paying your volunteers, there are other ways to incentivize them and show appreciation for their contribution:

- Provide food at meetings;
- Provide free babysitting services so that parents can participate in evening activities;
- Reimburse transportation so that they do not have to pay out-of-pocket to attend activities.

Some people might be interested in looking for a job in an NGO. If you consider them useful, you can help them build skills that will be essential for the job in which they are interested. You can provide them with additional training opportunities or look for funding that can be used to pay them.

You can also suggest to a volunteer that he look for a paid job and refer this person to the opportunities of which you are aware. This may sound self-destructive. Actually, this is a kind of investment. In the short term, you lose a volunteer; but in the long run, you gain a resourceful peer. This person will be positive about your organization and will probably support you whenever he or she has the opportunity to do so. A former volunteer will keep "advertising" for your organization in his or her new job and let people see that you have developed a smart, capable, and knowledgeable leader.

How Should You Recruit and Hire Volunteers?

First, consider: how has your organization recruited volunteers in the past? Have any problems occurred because there is no official procedure to recruit volunteers?

Now that you have designed volunteer schedules and job descriptions plan, the next step is to look for suitable volunteers. You should have an internal system for interviewing and hiring each volunteer. Your approach should be systematic: the steps you take should be a procedure that is the same for each person. Making everyone follow similar steps for recruitment and having everyone begin and start at the same time creates an ethic of fairness in the organization and avoids the impression of favoritism.

You can recruit volunteers using the following steps:

1. **Advertise** – You can promote your volunteer program in social situations, distribute flyers, send out emails, post an ad on your website and other recruitment websites, and hold volunteer recruitment meetings.

Very Important: Never just bring someone into your organization without thinking it through. We have learned this lesson the hard way: it ALWAYS matters who your volunteers are. An organization is a living organism made out of people, and every single person in your organization is important. In a few months, when you are stressed out over managing a difficult person, you might regret that you were not more careful in the beginning, when you brought them in to your organization.

2. **Create an Application Form** – We recommend creating a simple application form for

volunteers to fill out which includes the basic information you need in order to follow up with people: name, address, phone number(s), email address, areas of interest, skills to offer, hours of availability, some relevant work or volunteer experience, and emergency contacts. This will make it easier for you to assess who is the right person for each job and to find a replacement if a volunteer does not show up when she is supposed to or if there is an emergency.

> Keep neutral in an interview. Do not let your personal feelings get in the way of your best judgment. If you are not sure about a potential volunteer, ask your colleagues' opinions!

3. **Interview** – Interview volunteers the way you do with staff. This process should be the same for everyone (even if the applicant is your best friend). Yes, you need formal interviews for your volunteers. The best way to avoid issues down the road is to spend the time, before making decisions, to see if an individual is a suitable candidate for your organization. A short interview, one-on-one, gives you an opportunity to talk to the potential volunteer about her interests and experience and assess whether or not she is the right fit for your organization. You should also take the opportunity to really listen to the person and hear what her concerns and interests are. Listen to see if she sounds reliable and sensible. Does the person really understand and care about the mission of your organization? What is it that she needs or wants from the experience? Can she explain how she would implement a difficult task? Does she have a good understanding of what your organization does and how she can help? Give her a chance to ask questions too. If you are not sure about whether or not to bring someone into the organization, ask one of your colleagues to interview her too. Also, some organizations that work on political issues may need to be careful about troublemakers who come in with the intention of disrupting the work or inciting internal conflict. This is an old tactic used in many

countries and is yet another reason to start off new volunteers with very minimal levels of responsibility, so that you can learn about new people and build trust gradually over time.

4. **References** – If the volunteer job involves any special responsibilities or experience, especially handling money or working with vulnerable people, ask for references, and call the references to ask about the person. The references can be a former boss, colleague, or someone else who can speak to the candidate's relevant experience. Listen for what the referee does not say, as well as what she or he does say. If your program provides services or help to children, find out what the legal requirements are for volunteers who have contact with children in your town or state. In many countries, staff and volunteers who work with children may need to go through background checks and register with the authorities.

5. **Decision** – Once you have made a decision, inform the applicant quickly. If you find someone good, get them involved early and often. The longer you take to involve them, the greater the chance that they will change their minds about volunteering. Even if you do not have a volunteer orientation right away, you might have some events coming up in which volunteers could participate.

Orientation and Training

Why is it Important?

The volunteer orientation establishes the nature of the new relationship you are beginning between your organization and volunteers. It is your chance to make sure that all the volunteers know your organization's mission, what you are about, and what you expect from them. Remember that once a person works as your volunteer, they represent your organization. You cannot always watch over them or correct their mistakes. Therefore, you need to make sure they fully understand your organization so that they characterize your organization and its work accurately.

For volunteers, the orientation is both a way to feel confident about what they have committed to and a way to prepare to do their work. They learn how what they will be doing fits into the bigger picture of everything the organization does. They learn how decisions are made and what it will feel like to be a part of this group.

For orientation, we recommend setting at least a few hours aside and providing some drinks and snacks. We also hand out a short manual for volunteers with all the information they hear in the orientation, for future reference. This way, they cannot say you did not tell them anything!

Orientation Agenda

We suggest that you design an orientation in which everybody feel involved. You can include the following content:

1. **Getting to know you**: A chance to break the ice, for each person to introduce him or herself, and learn who is in the room.
2. **Overview**: A history of the organization, the mission, and the programs; the schedule for the orientation.
3. **Discussion**: Some group discussion of the issues with which the organization deals, and what the organization's views or philosophies are on those core issues.
4. **Policies**: An overview of your organization's policies (on sexual harassment, anti-discrimination, how to handle conflicts, etc.) and volunteer policies (volunteers should call the team leader if they have to cancel, no talking to media on behalf of the organization, no plagiarism, etc.).
5. **A team-building game**: To practice and get a feel for what working together as a team is like.
6. **Getting down to business**: We always end the orientation with a short ten-to-fifteen-minute team meeting in which the volunteers talk about what they will do in the next week on their projects. In this way, the meeting ends with everyone feeling energized about the future. If your volunteers will need to learn to do special tasks, or need special knowledge, you may wish to set up a separate time to train them.

Keeping Track of Time

If you have set a scheduled time, always try your best to finish within that time. Volunteers have other commitments in their lives, including work, school and family. By sticking to the schedule, we show that just as we expect volunteers to respect their time commitment to the organization, we will also respect their time. If it looks like a meeting may run late, we stop and ask everyone if they have time to stay for another half hour. If that is inconvenient for the majority of people, we reschedule the meeting for another time. This helps to build trust and mutual respect with your volunteers.

Volunteer Motivation

The nature of volunteers is that they come and go. Most of the people who start volunteering with your organization will not stay forever – in fact, some may drop out before they finish the period to which they have committed. This is part of why it is important to have new volunteers joining regularly, and also why it is important to focus on selecting and nurturing people who are involved so that their needs and the needs of your organization are met. To accomplish this, we recommend having regular evaluation meetings and taking steps to make sure volunteers' needs are met. With volunteers who get REALLY involved, you should also take steps to avoid burning them out.

Creating a volunteer system, with regular practices and tools, is an important way to ensure that the organization runs smoothly even if there are volunteers coming and going every few months. The structure provided by an established system will enable volunteers to be and feel successful.

Evaluation

Once you have volunteers on board, you need a way to evaluate whether or not they are succeeding as part of your organization. Likewise, they need constructive feedback and to know that you appreciate what they are contributing. If someone is getting off track, you need to be able to stop the problem at the outset, before it gets out of control.

Therefore it is important to have private meetings, away from other staff or volunteers. We recommend an evaluation meeting halfway through the volunteer's committed term (for example if the entire term is four months, then have the meeting after two months), where the volunteer coordinator meets with each volunteer and asks:

1. How is it going for you so far?
2. Are you doing what you thought you would be doing?
3. What are you enjoying about volunteering?
4. What do you find challenging or what do you wish was different?

Let the volunteer speak first, then you share your feedback about how they are doing. It is a good idea to let them go first, because some of what you have to say may be things that the volunteer already knows, and it may be easier for the volunteer to discuss the problem if she has raised it first.

In giving a volunteer feedback, start with the positive feedback before raising the critical feedback. Most people find it easier to hear something critical about themselves if they have heard something complimentary first. Even if you are unable think of anything positive to say, you can always tell the person that you really appreciate the time they are donating!

If you have to give critical feedback, you do not need to spend a lot of time going over what went wrong. Instead, focus on finding solutions that will enable the volunteer to succeed. Also, ask the volunteer if they have any ideas for solutions. People are more likely to actually do something if they feel that they have thought of the solution themselves.

While it is important to meet the needs of volunteers, the main benefit of their work should be to the organization and the community as a whole. In the beginning, when a new volunteer starts work, she may need extra help and support to master basic tasks. But after a few months, if you are spending more time managing a difficult volunteer than it would take for you to do the task yourself, it might be time to question whether that volunteer is in the right job or at the right organization.

Dealing With Conflicts

Humans will have conflicts. It is perfectly normal. Sometimes people get frustrated when they have to work with one another. Even though it is natural, conflict can be corrosive and destructive for your team if it is not managed well. Your organization should have a policy in place to deal with conflict. Some elements you might consider including in that policy are:

- ✓ Encouraging people who are in conflict to talk to one another, face-to-face, at the earliest opportunity, in order to come up with a solution to the problem.
- ✓ No nasty emails. If you see a volunteer is sending emails that attack or are angry at others, tell that person to first try to sit down with the person they have a problem with and try to talk it through. It is very difficult for most people to discuss anything complex or emotional through email.
- ✓ If the attempt to talk it through in person is not successful, the manager should meet with each side to fairly and objectively hear their side of the problem.
- ✓ Then, having heard both sides, the manager should get the two people into the same room and mediate a discussion in which they try to reach a solution. Encourage the two people not to focus on blame, and make it clear that personal comments or insults are absolutely never tolerated.
- ✓ Once a solution has been reached, emphasize to both people that you value them both, but that working together collaboratively is essential to the organization and you expect them both to make a reasonable effort to be part of the team. Keep a close watch after the meeting on how the solution works out.
- ✓ If the conflict is between the manager and a volunteer, then you may need to find someone outside of the organization to mediate.

This is a very simple approach to conflict management; however, some situations are much more complex, and may require multiple meetings or difficult decisions by the manager that involve separating people who cannot work together. It is the job of the manager, including the executive director, program manager, volunteer coordinator, etc. to create a positive and constructive work environment.

Managing conflict between people is the least fun part of the job, but it is the one thing that cannot be delegated. The key in most situations is to tackle the problem as soon as it comes up. Do not procrastinate or hope it will just go away. If a problem is addressed in a calm and fair way early on, you have a much better chance of resolving it with a minimum amount of effort than if everyone avoids dealing with it.

Of course, the best way to avoid conflicts is to recruit volunteers who can get along with others. One way to assess this when you interview potential volunteers is to ask them to tell you about a time they had a conflict with someone and how they resolved it. Ask them to provide an example from a professional setting, if possible.

Meeting the Needs of Volunteers

Here are some tips on how to make sure that your volunteers have a good experience with the organization and are equipped to continue making positive contributions.

Give volunteers recognition and let them see their impact. Most people need to feel recognized for what they do, especially if they are donating their time (but even if they are not). You can do this by throwing a party to thank volunteers, listing their names on your newsletter, annual report or website, celebrating their anniversaries as volunteers with the organization, and giving volunteer awards. Informal recognition is important also: saying thank you, taking a volunteer out for tea or coffee, giving them a good recommendation if they apply for a paying job, or just pointing out in a meeting what someone has accomplished. Small acts of recognition will buy you a lot of goodwill from someone who is working hard for little or no pay.

☑ Help build connections among volunteers, and between volunteers and other organizations. One of the main reasons people volunteer is to make new friends and connect with a community. Building those community connections also helps you build the base of your organization. Create opportunities for volunteers to meet one another and work collaboratively. If you are going out for lunch or coffee with staff or visitors, invite volunteers to join you. If someone interesting is visiting your organization, invite volunteers to come into the office to meet that person for a chat over lunch.

☑ Give volunteers a chance to build their skills. Find out what skills or knowledge would be interesting or useful for volunteers, and create opportunities for learning. This could take the form of a workshop or you could just partner one volunteer who is interested in a subject with another volunteer or staff person who knows a lot about that subject. Create a space in the office to share books and reports and other information that you receive in your office that volunteers can read. Give volunteers an opportunity to represent your organization by attending public meetings or discussions.

Give volunteers an opportunity to have input. We strongly recommend a monthly meeting where volunteers and other members can evaluate recent projects and discuss next steps. Volunteers are working at the grassroots and they may see things about the organization that the directors never see – this is the opportunity for directors to learn from them. Treat everyone with respect and listen to what they have to say, even if what they have to say makes you uncomfortable. Some people may feel uncomfortable sharing their opinions in public – creating a suggestion box, or a work diary that anyone can write in, is a way to let people share their thoughts more privately. You can also consider inviting volunteers to your annual strategic planning meeting, if you have one, and actively soliciting their input at the meeting.

Avoiding Burnout

> View volunteers as a long-term investment instead of overloading them in a short period of time. People will appreciate your consideration. If they believe you genuinely care about their interests, the possibilities are greater that they will come back, introduce their friends to be volunteers or say good things about your organization.

Burnout is a problem at all nonprofits and grassroots organizations. If your volunteers complain all the time, if they seem lacking in energy, if they seem pessimistic and unmotivated, and if they stop showing up for tasks, it is possible that they may be burned out. The nature of this work is that people make huge personal sacrifices, giving their own time, energy and money, as well as the time and energy and money of their loved ones. These are not infinite resources, so it is natural that after a while people get tired and depleted, and will want to do something else. Volunteers in particular are likely to get very enthusiastic in the beginning, over-commit themselves, and then become disillusioned or tired and quit. Some of this is the nature of the work, but we should encourage people not to be martyrs for a cause. Burnout can be avoided – or, at least, slowed down.

Set realistic goals: The quickest way to burn people out is by overloading them with tasks, or assigning them projects that are too large. Be sure that you are gathering input from volunteers, especially in the beginning, about how long it takes them to do certain tasks. If it takes longer than they have committed to work for the organization, you need to adjust the task so that they can do it in the time they promised to spend. Some people work faster than others and, while you can push people to work faster, you may also have to adjust to reality.

Set an example: Human rights start at the office: People who are really committed to the work may not be good at taking breaks. They may just work and work without even stopping to eat until they are exhausted. As a manager, what you do will set the expectations for everyone else. If you take a lunch break, others will take a lunch break. If you never leave your desk, your volunteers will feel guilty if they need to leave to get a cup of coffee. That guilt will quickly become resentment. We try to have regularly scheduled breaks that everyone takes together, where we actually leave the office for a bit, and we remind each other to leave the office promptly at quitting time. We take breaks on the weekends and on holidays, and if someone has to work long hours on one day because of a deadline or an important meeting, we encourage them to work shorter hours the next day. We also encourage volunteers to monitor what they are doing and let us know when it is too much. If they have problems in their lives (for instance, a sick child or a major exam), or if they just feel burned out and need to do something else for a while, we will let them to take a break from volunteering.

Help to Set Priorities: Volunteers may feel pressured to take on more than they can handle. While your organization may genuinely have a lot of work that needs to get done, you need to be able to set priorities.

What things really need to get done this week? What things really have to get done today? What things could be postponed until later? Involve the volunteers in setting priorities and help them to break projects down into tasks. When each task is done, they can move onto the next task. Emphasize what they have accomplished before tackling what still needs to be done.

Managing Time Effectively: If you have a volunteer who is an expert at legal research or at bookkeeping, it probably is not a good use of her time to make photocopies. Before each volunteer comes in, prepare a list of things for her to do that are an effective use of her time. Ensure that she doesn't waste her time doing something unimportant.

Make it Fun: Remember that people are donating their time, and some of it should be energizing and fun for everyone. Cooking dinner together, a group trip to the movies or to an event, or a celebration of a volunteer's birthday are all ways to celebrate and enjoy your team. Give volunteers a chance to express themselves, for instance by designing posters or banners or t-shirts together, working on shared projects, or creating a public display that showcases your work and everyone's comments about it. This gives volunteers something by which they can remember their experience – an experience that was hopefully a positive one.

Be Inclusive and Watch Out for Cliques: In some organizations, leaders or long-term volunteers who get to know each other will begin to feel a sense of privilege. They may also become close friends with other staff or volunteers, and may socialize together outside of the office. This is not a bad thing, unless new people feel that it is impossible for them to become "one of the club" and be accepted at the same level. This is the quickest way to kill the organization, by driving away your newest members.

Cultivating Leadership

One of the reasons to recruit and train volunteers is to build your organization's core team. When you encourage leadership development within your organization, you make the organization more sustainable. If one leader encounters problems (or one of them is burnt out), work can still continue. Training staff and volunteers to develop strong leadership skills will create new opportunities for growth for your organization. Encouraging leadership is good for an organization's sustainability and for ensuring a consistent quality of work.

A system for leadership development should build upon your volunteer management system and include these steps: identifying leaders, giving them leadership training, sharing power, preparing them to represent the organization, and evaluating their performance.

Make sure that the way you select leaders is transparent and accessible. Anyone with the qualifications who makes the necessary effort should be eligible. Be sure that leaders of the organization understand that they need to include everyone in their work and report back. Encourage more experienced volunteers to mentor new volunteers, and strongly discourage group social events that do not include everyone.

Identifying Leaders

In your day-to-day work, you can identify potential leaders by analyzing volunteers' skills in terms of leadership qualities. Once you know what these are, you can strengthen these skills and address any weaknesses in order to help the individual develop and flourish within the organization. In order to increase the likelihood of successful leadership, try to provide guidance to bring out individual leadership styles.

If you find leadership skills in one of your volunteers, the next step is to sit down in a one-on-one meeting to see how she envisions herself growing within your organization. Encourage the individual by pointing out the qualities you see in her and discussing ways she can take on new responsibilities or help the organization to grow. Once you have agreed on the new responsibilities, write up a short job description and invite her to discuss it with you or make any edits to it so that you are both clear about what is expected.

Leadership Preparation

When a volunteer begins to take on these new responsibilities, help her to prepare for new challenges. For example, before a volunteer speaks publicly on behalf of the organization, you can go over some of the items to highlight in the talk together and discuss what to expect from the event. a new leader in your organization is planning an event in which several groups will work together, it is a good idea to have a one-on-one meeting with each leader, a meeting with all the leaders together, and then a larger group meeting with all people involved in the event, to ensure everyone is on the same page.

Not every hard-working person is a leader. If a person spends a lot of time volunteering in your organization, she might think of herself as one of its leaders. If this person possesses some but not all of the qualities necessary for leadership, then it is not appropriate to put her in a leadership position. You can encourage her to overcome her weaknesses or you can guide this person through her responsibilities, but do not waste time on somebody who is not ready to be a leader.

Reflection and Evaluation

After a volunteer has taken on a new leadership role and you have had the opportunity to see her use her skills, have a one-on-one meeting with her to discuss her performance, point out things that she did well, and give feedback on any areas where there is room for improvement.

Always start with positive input before anything negative. As the volunteer begins to gain more confidence in the new role, you can consider letting her work more independently, with less direction from you.

Template| Questionnaire for Volunteer Interviews

A short interview, one-on-one, gives you an opportunity to talk to the potential volunteer about her interests and experience and assess whether or not she is the right fit for your organization. You should also take the opportunity to really listen to the person and hear what her concerns and interests are. Listen to see whether she sounds reliable and sensible.

These are sample questions to ask potential volunteers interviewing for a position at a Chinese AIDS organization.

1. How did you hear about our organization?
2. Tell me about how you became interested in China/AIDS/human rights issues.
3. What specific China/AIDS/human rights issues are you interested in?
4. What do you hope to learn from this volunteer position and what skills do you hope to acquire?
5. Tell me about other internships, leadership roles or special projects you've worked on. What did you find rewarding about the experience? What was challenging?
6. Tell me about your experience(s) working in an office setting. What is the role that you usually play on a team?
7. How many hours a week can you work, and for how many months?

What you need to assess:

1. Does the person really understand and care about the mission of your organization?
2. Does the person have a good understanding of what your organization does?
3. What is it that person needs or wants from the experience?
4. Can the person explain how she would implement a difficult task?
5. How can the person help?

Template | Volunteer Project Chart

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This chart will assist you in keeping track of your organization's volunteer needs for each project. everyone is working on.

Project Chart

Project Title: ______________________________

Start date： ______________ End date: ______________

Total Volunteers Needed： ________

Total Hours per week: ________

Project Description：

____

____

Volunteer Position 1： ______________________________

Position Description：

____

____

Number of Volunteers Needed for This Position ： ______________

Volunteer Position 2： ______________________________

Position Description：

____

____

Number of Volunteers Needed for This Position ： ______________

Volunteer Position 3： ______________________________

Position Description：

____

____

Number of Volunteers Needed for This Position ： ______________

Template| Volunteer Schedule

This chart will assist you in keeping track of what projects the volunteers have been assigned to and how much time they have committed. An overview in chart form will allow you to see at a glance what everyone is working on.

Project Title and Description:		**Project Start/End Dates:**
Volunteer Positions and Job Descriptions: **(Position 1):** **(Position 2):** **(Position 3):**		
Total Number of Volunteers Needed:		
Total Number of Hours per Week:		
Volunteer Name	**Position**	**Days/Hours per Week**

Template| Volunteer Database

This database will help you keep track of all the volunteers who have come through the organization. It is a good idea to keep a database because a record will ensure that even if there is staff turnover, everyone will still have this information. A comprehensive database will benefit future staff if former volunteers approach them with requests to volunteer again or to get a recommendation from your organization. They can refer to this record to see the organization's previous experience with this person.

Volunteer Name	Contact Information	Job title and Description	Start/End Dates Weekly	Weekly Schedule	Short Bio	Internal Notes/ Recommendation?
Lin Sample	linmoumou@ gmail.com	Coordinator	June 1 – August 30, 2010	10 am-6 pm; Tues-Thurs	Lin Sample has worked with grassroots AIDS groups for 5 years. She is a former sex worker and is a member of the Asian Sex Workers' Alliance.	Great volunteer, would welcome back for another term. Yes on recs.

Template| Volunteer Exit Memo

asia catalyst

In many organizations, volunteer turnover is very high. You need to make sure when a volunteer exits, you can get to know how this person feels about her experience working with your organization. Her feedback helps you to improve your volunteer management system. An exit memo is also necessary to handover work to the next person so that they can easily take over unfinished tasks.

Please take a few moments to answer the following questions about your volunteer experience at [your organization's name]. We appreciate your honest and candid feedback.

1. Please list and provide a short description of the projects/tasks that you completed during your time with [your organization's name].

2. Please specify any projects/tasks you left unfinished/in progress.

3. Please also note where this work is saved and at what stage of completion it is.

4. What was your best experience working at [your organization's name]?

5. What did you learn from this volunteer experience?

6. What was your biggest frustration working at [your organization's name]?

7. What could we have done to alleviate this frustration?

8. How might we improve the volunteer experience?

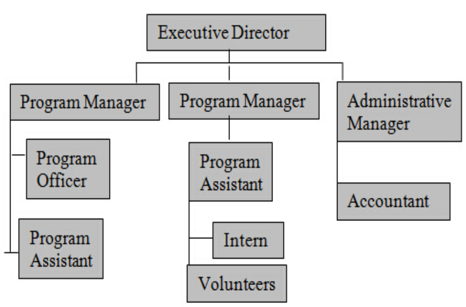
9. Did you feel that the workload was appropriate for your scheduled hours?

10. Did you feel that the orientation was comprehensive? If not, what additional areas should we cover?

11. Additional comments:

Compare the two organizational structures below. They show two different personnel structures of a small NGO. Analyzing these structures can help you think about your own organizational structure. Understanding the structure of your staff and volunteers is essential for programming, budgeting and managing your volunteers.

Organization Structure One



Organization Structure Two

1. Write down the differences you observed from the two charts.

2. In the first chart, to whom do staff and volunteers report? How about in the second chart?

3. Please draw your organization's structure. Can it be improved? If yes, please draw the best structure for your organization.

About Asia Catalyst

Asia Catalyst builds strong civil society and advances human rights for marginalized groups in Asia. We train community-based organizations (CBOs) to meet high standards of effective and democratic governance, to establish a stable foundation for future growth, and to conduct rigorous human rights research and advocacy. We are an independent organization that places the needs of marginalized communities at the center of national, regional, and international policy making.

Nonprofit Survival Guide
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