



THE PERFORMANCE PRACTICE

LEARN. IMPROVE. REPEAT.

PRINCIPLES & PROOF POINTS

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Developed collaboratively by the
LEAP OF REASON
AMBASSADORS COMMUNITY

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THE PERFORMANCE PRACTICE PRINCIPLES & PROOF POINTS

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Principle 1.1: Executives and boards **embrace their responsibility to deliver meaningful, measurable, and financially sustainable results.**

1.1.1: My organization's executives and board have formally documented that they are mutually responsible for ensuring strong performance and their respective roles in achieving it; furthermore, they have fully committed to and accepted these roles and responsibilities.

1.1.2: Through a formal process, my organization's *executives* assess themselves individually and collectively, at least once a year, to hold themselves accountable for delivering strong results.

1.1.3: Through a formal process, my organization's *board members* assess themselves individually and collectively, at least once a year, to hold themselves accountable for delivering strong results.

Principle 1.2: Executives and boards **clarify the mission** of their organization and passionately push to keep getting better at pursuing it.

1.2.1: Every three to five years and at other critical junctures, my organization's executives, board, and key staff thoroughly review, question, and revise as necessary the mission of the organization and the core assumptions upon which the mission is based.

1.2.2: My organization's board members are sufficiently knowledgeable about our business model and programs to engage in routine, constructive questioning of how we deploy resources and to ensure that we're focusing our resources on the areas where we can have the greatest impact.

1.2.3: My organization's *executives* regularly and rigorously analyze how we are deploying all resources—not just money but also people, time, energy, and focus—with an eye toward shifting resources to those areas that can have the greatest impact.

1.2.4: My organization's *executives* routinely review research, including rigorous evaluations, and engage in learning opportunities that can help us improve our organizational effectiveness and produce improved results.

1.2.5: My organization's *board members* routinely review research, including rigorous evaluations, and engage in learning opportunities that can help us improve our organizational effectiveness and produce improved results.

Principle 1.3: Executives and boards **clearly define their respective roles and expectations.** They hold each other accountable for delivering on their commitments.

1.3.1: My organization has put in writing “terms of engagement” for how executives and board members work together to advance our mission. They use these terms of engagement in orientation sessions for new executives and board members.

1.3.2: My organization's board chair and CEO routinely spend time outside of board meetings to build a strong, effective working relationship and to discuss each other's progress in meeting commitments to the organization.

Principle 1.4: Boards are **strong, assertive governors and stewards**, not just supporters and fundraisers. They recruit, advise, and hold accountable the lead executive (CEO). They ask probing questions about whether the organization is living up to its promises and acknowledge when course correction is needed.

1.4.1: My organization's executives and board identify and prioritize the diverse skills and backgrounds we need on our board for producing meaningful results—and use this as guidance for recruiting and vetting prospective board members.

1.4.2: Through strong board orientation and engagement processes, my organization encourages board members to ask probing questions and provide constructive pushback on the CEO.

1.4.3: My organization's board meetings are data-informed, provide user-friendly reports on results, and allow for in-depth discussions on major strategic issues.

1.4.4: My organization's board annually reviews our CEO's performance using a self-assessment by the CEO, an assessment by the governance committee, input from the full board, and insights from staff. The board chair discusses the results with the CEO, celebrates successes, and sets forth a plan to address areas of concern. Generally, the board chair reports back to the governance committee and/or full board to summarize how the discussion with the CEO went and if there were any new issues, considerations, or differences.

Principle 1.5: Executives and boards **listen and respond to the needs of the people they serve** (i.e., their primary constituents). This means systematically collecting, synthesizing, and using constituent feedback to inform decision-making.

1.5.1: My organization has a plan for—and dedicates resources to—collecting, analyzing, and acting on feedback from staff and constituents on desired outcomes, what's working, and where we're falling short.

1.5.2: My organization's leaders report back to staff and constituents on what we found, what changes we're planning, and what feedback we're *not* acting on. We regularly check with staff and constituents to learn whether we've adequately addressed their concerns.

Principle 1.6: During the ongoing and iterative process of assessing effectiveness, executives and boards constantly ask: **What do our constituents need to make their lives better?** Is our program helping them get it? If not, what should we do differently?

1.6.1: My organization's executives seek out informal opportunities, such as impromptu conversations and “management by walking around,” to deepen their understanding of our constituents' lives and how we can get better at meeting their needs.

1.6.2: My organization's executives and board routinely review aggregated constituent feedback, in conjunction with performance and evaluation data, to assess program quality, prioritize program improvements, and validate results.

Principle 1.7: Executives and boards are constantly assessing not only what the organization should be doing but also **what it should stop doing**.

1.7.1: My organization can cite specific cases in which we have cut back or eliminated efforts we found to be ineffective, redundant, or unsustainable and/or redirected resources to areas of greater opportunity.

1.7.2: My organization periodically assesses the costs and benefits of each function (through “zero-based budgeting” or some other process) to evaluate whether each is worth continuing.

1.7.3: My organization can cite specific examples of cases in which we have turned away potential funders when their intentions did not align with the organization’s mission or readiness.

Principle 1.8: Executives and boards are humble enough to **seek and act on feedback on their own performance and that of their organization**. Even the highest performers acknowledge that they still have a lot to learn and a lot of work to do.

1.8.1: My organization’s leaders aren’t just receptive to feedback from staff, constituents, and other stakeholders. They actively seek it out!

1.8.2: My organization’s leaders acknowledge publicly where we need to improve and what we still need to understand better if we are to realize the results we seek.

Principle 1.9: Executives and boards **recruit, develop, engage, and retain the talent** necessary to deliver on their mission. They know that great talent is a huge differentiator between organizations that are high performing and those that aren’t.

1.9.1: Our CEO and management team, with advice from the board, define our current and future talent needs; develop and implement a strategy for meeting them; and review our progress on a regular basis.

1.9.2: My organization’s CEO is deeply and personally engaged in talent recruitment and development, with an eye toward strengthening our talent base at every opportunity.

1.9.3: My organization **has a formal succession plan** for every executive role.

1.9.4: My organization’s board has a governance committee that has developed a plan for and tracks progress on board succession and board development.

1.9.5: My organization applies professional-development and compensation practices that reflect the importance of cultivating and keeping great talent—and the disproportionate cost of losing it.

Principle 1.10: Executives and boards **marshal the external partners and resources** necessary to deliver on their mission.

1.10.1: Each of my organization’s board members invests time outside of formal board and committee meetings to work in partnership with our executives to raise the resources we need to finance the organization.

1.10.2: Annually, each of my organization's board members can point to at least one example of opening doors and/or fostering relationships that have helped us advance our mission (e.g., relationships with policymakers, business leaders, or the media).

Principle 1.11: Executives and boards **cultivate trust-based relationships with key policymakers**. They keep policymakers informed about their work; advocate for policies and funding that can benefit constituents; and advocate against proposals that could adversely affect constituents.

1.11.1: My organization educates the board and relevant staff on how they can legally and effectively engage in public policy advocacy.

1.11.2: My organization's board and relevant staff meet proactively (not just at times of crisis) with policymakers and their staff to cultivate meaningful relationships.

1.11.3: My organization's board and relevant staff speak up for the interests and needs of our constituents by using appropriate advocacy and/or lobbying strategies.

Principle 1.12: Executives and boards **cultivate diversity, equity, and inclusion at every level of the organization**, because a wide array of backgrounds, experiences, and perspectives contribute to an organization's creativity, empathy, and effectiveness.

1.12.1: My organization's CEO, board, management, and staff have a diversity of perspectives, backgrounds, and lived experiences that align with our mission and reflect the people or causes we serve.

1.12.2: My organization's executives and board embrace diversity, equity, and inclusion as essential for achieving our mission.

1.12.3: My organization's executives and board embrace a diversity of perspectives and backgrounds; respect the insights and wisdom of those with relevant lived experiences (not just those with professional expertise); and put in place policies that facilitate equitable, fair treatment of all staff members.

1.12.4: My organization's CEO, board, management, and staff have developed and implemented a robust plan for diversity, equity, and inclusion (DEI). Our plan is informed by our board, staff, and those we serve. A committee of top leaders monitors progress and holds us accountable for implementing our DEI plan faithfully.

1.12.5: My organization cultivates applicant pools that are large and broad enough to ensure we can achieve and sustain a diverse organization.

Principle 1.13: Executives and boards **treat internal and external communications as a strategic function** that is essential for delivering great results and not just good PR.

1.13.1: My organization's communications are rooted in clear descriptions of our mission, our target population, our model, and our results.

1.13.2: Each board member can point to specific instances in which they've shared our mission and results within their own networks to further the organization's goals.

1.13.3: My organization has a strategy that guides our internal and external communication. The strategy addresses our communications protocols in case of a crisis and explains our approach to communicating clearly, transparently, and proactively about our organization and results.

1.13.4: My organization's CEO "owns" our communications strategy and does not simply delegate to internal or external communications professionals.

1.13.5: My organization's leaders empower and equip staff and relevant volunteers to play a role in external communication about our work and results—and can point to specific examples of how this works in practice.

Now that you've had a chance to carefully work your way through each proof point, we encourage you to take a **step back and reflect** on your organization's overall progress on **Pillar 1**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 1 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 1 do you have the "right people in the right seats" in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 1 self-assessment the next time around?

What additional resources or support do you need?

Principle 2.1: Managers **translate leaders' drive for excellence into clear workplans and incentives** to carry out the work effectively and efficiently.

2.1.1: My organization's managers partner with staff to develop individual performance objectives that support our organizational goals.

2.1.2: My organization's managers regularly recognize and reward (in financial and non-financial ways) outstanding performance by team members.

Principle 2.2: Managers' **decisions are data informed** whenever possible.

2.2.1: Front-line workers and those who support and manage them have timely access to understandable, useful data, analysis, and evidence-informed tools.

2.2.2: My organization's managers regularly use qualitative and quantitative data to inform their operational, programmatic, and strategic decisions—rather than relying on their intuition alone.

Principle 2.3: Managers, like executives and boards, **recruit, develop, engage, and retain the talent** necessary to deliver on the mission. They help staff get the tools and training they need in order to deliver the desired results.

2.3.1: My organization's managers actively look inside and outside the organization for great talent—to “get the right people on the bus, in the right seats.”

2.3.2: My organization's managers allocate sufficient resources to recruit, develop, reward, and retain high-performing individuals who are committed to our mission and our culture.

2.3.3: My organization's managers continually assess our talent pool, identifying individuals who are strong contributors and creating opportunities for them to develop their potential.

Principle 2.4: Managers **provide opportunities for staff members to see how their work contributes to the organization's mission**. Managers know that doing so helps staff members find meaning and purpose in their work—and generally leads to higher motivation and performance.

2.4.1: My organization's managers engage in ongoing dialogue with staff members to ensure they understand how their individual roles contribute to the results the organization is trying to achieve.

2.4.2: My organization's managers foster a positive culture within their teams by sharing genuine praise whenever it's warranted. When they have specific feedback or critiques, they share them in private.

Principle 2.5: Managers **establish accountability systems that provide clarity** at each level of the organization about the standards for success and yet **provide room for staff to be creative** about how they achieve these standards.

2.5.1: My organization's managers communicate their standards of excellence by clearly defining what team members are accountable for and how and when their success will be assessed.

2.5.2: My organization's managers can point to examples where staff have been given the flexibility to be creative about how they achieve the standards.

Principle 2.6: Managers provide continuous, candid, constructive feedback to team members and augment it with periodic performance reviews. They view performance reviews as an opportunity to help staff improve.

2.6.1: My organization's managers dedicate time to observe team members in action so they can provide staff with real-time, actionable feedback; effective guidance; and well-informed performance reviews.

2.6.2: My organization's managers regularly conduct performance reviews with all staff. Managers work with each staff member to define what strengths the team member should build on, what areas he/she should improve, how he/she is adhering to the program model (as applicable), what he/she should continue to develop, and how the manager and organization can support him/her.

2.6.3: My organization's managers establish an effective professional-development plan tied to each individual's career goals and the organization's needs.

Principle 2.7: Managers provide frequent **opportunities for staff to provide feedback to their supervisors**. Supervisors are not only open to receiving this feedback; they encourage it and are willing to act on it.

2.7.1: Managers in our organization are receptive to receiving feedback and make genuine efforts to create safe spaces for staff to provide it.

2.7.2: My organization's team members perceive these spaces as safe and take advantage of opportunities to provide their managers with feedback.

2.7.3: My organization can point to examples in which managers have used staff insights and ideas to fuel innovation/risk-taking and improve individual, team, and organizational performance.

Principle 2.8: Managers **acknowledge and take action when staff members are not doing their work well**. They give these staffers help to improve or move them to more suitable roles. If it becomes clear that staff members are unable or unwilling to meet expectations, managers are not afraid to make tough personnel decisions so that the organization can live up to the promises it makes to participants, donors, and other key stakeholders.

2.8.1: My organization's managers have the latitude and fortitude to make difficult personnel decisions when a team member's performance is undermining our ability to operate effectively and meet the needs of our target population/target audience. This includes re-assignment, additional development, or separation in accordance with our policies.

Now that you've had a chance to carefully work your way through each proof point, we encourage you to take a **step back and reflect** on your organization's overall progress on **Pillar 2**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 2 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 2 do you have the "right people in the right seats" in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 2 self-assessment the next time around?

What additional resources or support do you need?

Principle 3.1: Leaders and managers who run programs that are intended to produce meaningful life changes **hold themselves accountable for helping participants achieve desired outcomes**. Programs intended to provide important but not life-changing products or services, such as food for homeless families, are not accountable for outcomes but **must deliver high-quality outputs**.

3.1.1. My organization's leaders and managers ensure that we track the quality of our *outputs* in an ongoing manner using a clear set of appropriate and measurable indicators. We review output quality regularly and work continually to deliver high-quality outputs.

3.1.2. In cases in which program outputs are intended to drive participant *outcomes*, my organization's leaders and managers track outcomes using a clear set of measurable indicators. Leaders and managers involve staff in monitoring outcome progression and working to improve results.

Principle 3.2: Leaders, managers, and staff **treat constituents with respect, authenticity, and empathy**.

3.2.1: My organization selectively hires those who have a deep understanding of the people and causes we serve and have demonstrated a strong ability to connect with people in a compassionate, accepting, and collaborative manner.

3.2.2: My organization cultivates these abilities through ongoing staff development.

3.2.3: My organization's leaders and managers hold staff accountable for treating those we serve with respect, authenticity, and empathy.

Principle 3.3: Leaders and managers select or design their programs and strategies based on a **sound analysis of the issues and evidence-informed assumptions** about how the organization's activities can lead to the desired change (often referred to as a "theory of change").

3.3.1: My organization has assembled and regularly reviews the best available evidence as part of selecting, designing, and developing its key programs and strategies. (For service organizations, the continuum of evidence usually consists of the following, from weakest to strongest: 1) ideas put forward by credible practitioners; 2) ideas acknowledged and validated over time by practitioners in the field; 3) field-wide reviews of programs for which evidence of effectiveness exists; 4) knowledge that has been developed by researchers studying similar target populations; 5) applying data science techniques that can rigorously evaluate outcomes using longitudinal program data; 6) borrowing core elements from similar programs that have benefited from rigorous impact evaluations; and 7) research on the organization's program(s) validated through rigorous impact evaluations.)

3.3.2: My organization has a theory of change that includes a target population/audience and a detailed service/program model with aligned outputs, outcomes, and measurable indicators.

3.3.3: My organization's theory of change is:

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- plausible (makes sense to the informed reviewer)
- doable (can be executed with available resources)
- measurable (key elements can be monitored using qualitative and quantitative data)
- testable (program model or advocacy strategies are codified in ways that allow for internal monitoring and external evaluation)
- socially significant (success would have high value for our target population or cause).

3.3.4: My organization is committed to maintaining fidelity to our theory of change. We have instilled it in our culture and manifest it in the way we implement our programs; conduct our daily operations; and assess the quality and effectiveness of our programs.

Principle 3.4: Once programs and strategies are up and running, leaders and managers continually ask: “**Are we collecting the information we need to ensure we’re effectively meeting the needs of our participants?** Are we reviewing and acting upon the latest evidence in our field? Are we open to counter-evidence that suggests we should be doing things differently?”

3.4.1: To deliver highly effective programs and services, my organization periodically reviews what data it collects, the reasons for collecting these data, the quality standards for these data, and the uses for these data.

3.4.2: My organization designates an individual or team to review and report on relevant research in the field and flag findings that support or challenge our assumptions about program delivery, what works, and why.

Principle 3.5: Leaders and managers **implement their programs in a high-quality manner** using rigorous implementation standards.

3.5.1: My organization’s program teams implement our services based on codified program models that address:

- intended outputs and outcomes
- key implementation indicators and data-collection standards
- phasing, dosage, and duration of activities
- professional requirements for staff.

3.5.2: My organization holds an individual or team accountable for monitoring whether we are implementing our programs with fidelity.

3.5.3: My organization conducts frequent reviews of our implementation data and makes corrections to our activities in real time to improve quality and effectiveness.

Principle 3.6: Leaders and managers are **sensitive to the cultural, racial, and political dynamics in the communities they serve** and are open to making adjustments to their programs and strategies when these dynamics shift.

3.6.1: My organization invests time and other resources to study the local dynamics that affect our ability to deliver highly effective programs and services. (Depending on the type of organization,

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this could include identifying key influencers/power centers in a community, studying the historical roots underlying present-day attitudes, and/or mapping relevant programs or efforts engaging the same population or audience.)

3.6.2: My organization intentionally and routinely works to build strong relationships and productive collaborations with relevant organizations and influencers whose actions and decisions affect our target population/audience and our ability to succeed.

Principle 3.7: Leaders and managers **establish and rigorously apply clear criteria for who is in their target population.**

3.7.1: My organization has defined and made clear to all staff and stakeholders our target population (clients at the core of our mission with whom we work to achieve improvements in measurable outcomes) and/or our target audience (groups we need to influence if we are to create our intended knowledge, attitude, behavior, or policy change).

3.7.2: My organization collects data on how each enrollment aligns with our target-population criteria.

3.7.3: My organization actively applies the criteria in the process of enrolling new participants.

Principle 3.8: Leaders and managers do a good job of **recruiting, retaining, motivating, listening to, and learning from their participants.**

3.8.1: My organization is relentless about recruiting people in our target population.

3.8.2: My organization actively seeks feedback from members of our target population or target audience—those closest to the problems we’re addressing—and uses this information to help us design and improve our programs and strategies.

3.8.3: My organization is relentless about helping participants stay engaged until they achieve the intended outcomes and about learning why some drop out despite our best efforts to retain them.

Principle 3.9: In the case of direct-service organizations, all management and staff **seek to build strong relationships with those they serve.** These relationships are often the single biggest determinant of whether participants will stay engaged in programming and thereby achieve the desired results.

3.9.1: My organization’s managers and staff engage with participants in ways that make participants feel heard and understood.

3.9.2: My organization systematically uses data on staff-participant relationships to inform staff recruitment, training, coaching, and development—as well as drive program improvement.

Principle 3.10: Leaders and managers **guard against the temptation to veer off course in search of numbers that look good in marketing materials or reports to funders.**

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3.10.1: My organization has checks and balances to ensure that the organization does not engage in corner-cutting measures (e.g., cherry-picking participants, biasing data) in pursuit of misleadingly impressive results

3.10.2: My organization has checks and balances to ensure that we accurately report both the number and percent of enrolled participants who achieve intended outcomes.

3.10.3: My organization has checks and balances to protect against “mission creep”—chasing funding opportunities by tacking on new programs that stretch beyond our core purpose.

Now that you’ve had a chance to carefully work your way through each proof point, we encourage you to **take a step back and reflect** on your organization’s overall progress on **Pillar 3**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 3 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 3 do you have the “right people in the right seats” in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 3 self-assessment the next time around?

What additional resources or support do you need?

Principle 4.1: The board and senior management **take charge of their organization's financial destiny**. They articulate the value they deliver and develop overall strategies, tightly aligned with their mission, to support and sustain the organization.

4.1.1: My organization tracks major revenue and expense assumptions and key financial-health indicators. At least semi-annually, we assess our financial performance and make course corrections as necessary.

4.1.2: My organization's financial plan is designed to help us generate the resources we need to deliver meaningful results—not just whatever resources are readily available.

4.1.3: My organization's financial plan aims to maximize sustainable sources of revenue—so we're not overly dependent on sources that are short term or subject to shifts at any time.

Principle 4.2: The board and senior management **nurture the external financing relationships** required to support their organization's operations.

4.2.1: My organization invests time in building and sustaining relationships with current and prospective financing partners, such as donors, foundations, banks, and other financial services organizations. (We recognize that these relationships are critical during trying financial times.)

4.2.2: My organization understands and fulfills the requirements of our agreements with financing partners. When there are issues relating to such requirements, we are proactive in coming to a workable resolution with the financing partners.

Principle 4.3: The board and senior management establish **strong systems for financial stewardship** and accountability throughout their organization.

4.3.1: My organization's CFO and finance staff have the requisite training, expertise, and systems to manage all financial affairs, including accounts receivable/accounts payable, budget management, capital budgeting, cash management, investment management, debt financing, third-party reimbursement (where applicable), grants management, and audit and compliance.

4.3.2: My organization's board monitors financial performance through formal committees (e.g., finance, audit, and/or investment committees) with:

- clear charters
- different leadership, providing for diverse perspectives as well as checks and balances
- a willingness to engage outside experts if needed.

4.3.3: My organization has clearly defined its fiscal policies and procedures. Management, staff with budget responsibility, board (especially audit and finance committees), and key stakeholders understand these policies and procedures. Our managers and CFO hold staff accountable for following these policies and procedures.

4.3.4: My organization's CEO and some board members review the performance of our CFO (or equivalent) at least once a year. They assess against the previous year's goals (individual and organizational) and set goals for the following year.

Principle 4.4: The board, management, and staff build and participate in **budget processes that are oriented toward achieving results** and not just conducting activities. This means allocating adequate resources for monitoring and evaluation. And it means making hard choices, especially in tough financial times, to direct money where it needs to go to drive the intended results.

4.4.1: My organization's program managers develop, manage, and are accountable for managing their own budgets. The finance team understands our programs, the supporting operations, and the results we aim to achieve. They educate and support managers and staff in developing their area budgets, managing their expenses, and understanding the implications of their decisions.

4.4.2: My organization's budget allocates resources for monitoring and evaluation to ensure we're on course to deliver strong programmatic results.

4.4.3: My organization's board finance committee reviews and has an opportunity to shape our budget before it goes to the full board for approval. Its oversight focuses on ensuring that all assumptions about revenues and expenses are reasonable and that the budget supports achievement of outcomes.

Principle 4.5: Senior management **uses financial modeling to make clear and transparent the organization's financial condition** and, at any given point, predict how it will end the year (and what will make the prediction more or less reliable).

4.5.1: My organization has developed a multi-year financial plan that comprehensively considers critical cost, cash flow, and revenue assumptions.

4.5.2: My organization conducts a "what-if analysis" at least annually to prepare for the possibility of significant economic changes or other disruptive events—and then identifies ways to mitigate these disruptions if they were to occur.

Principle 4.6: The board and senior management **share financial results transparently** with key stakeholders at regular intervals.

4.6.1: My organization's monthly financial reports include an analysis of financial performance, a variance analysis (plan/forecast versus actual results), and a cash-flow analysis. We share these reports with all leaders and appropriate managers.

4.6.2: My organization shares with the board quarterly financial reports that focus on critical financial issues, including actual and projected cash flows as well as operational or external issues that have financial implications.

4.6.3: My organization produces financial reports for external stakeholders (e.g., funders, lenders) in response to reasonable requests.

Principle 4.7: The board and management **treat fundraising/fund development as a strategic function that requires focus, management, capital, and specialized skill sets.** They craft clearly defined roles and goals for the board and staff.

4.7.1: My organization invests in a dedicated, disciplined fund-development function. It builds internal capacity so that the organization is not overly reliant on consultants or the heroic efforts of one staff or board member.

4.7.2: My organization manages to a fund-development plan aligned with our strategy. We ensure that our projected costs and revenues are structurally balanced and that we have sufficient liquidity to fund operations.

4.7.3: My organization's board, management, and staff have defined—and are accountable for—their respective roles in fund development.

Principle 4.8: The board and senior management operate their organization **at a surplus that allows them to continue to build a strong balance sheet with appropriate reserves.**

4.8.1: My organization maintains an operating reserve to sustain cash needs for at least three months.

4.8.2: My organization reserves funds to cover the depreciation on buildings and equipment, maintaining capital reserves to cover planned and unexpected capital expenditures or major repairs.

4.8.3: My organization maintains a capital budget to quantify and plan for future capital outlays related to buildings and equipment.

Principle 4.9: The board, management, and key staff **understand their organization's cost structure,** which aspects of it are required to produce high-quality programs and/or services, and how it aligns with reliable revenue sources for funding it year in and year out. They are relentless in making necessary investments with an eye to costs and benefits while being equally relentless in reducing unnecessary costs.

4.9.1: My organization continuously works to eliminate unnecessary costs and maximizes operational efficiency. My organization is good at distinguishing between expenditures that are essential for driving desired results and those that aren't.

4.9.2: My organization understands the full cost of delivering programs and services (including all direct, shared, and administrative costs) and incorporates the full cost in our financial plan and supporting fund-development activities.

4.9.3: My organization's leadership ensures that we only grow our programs when we can also grow our program capacity and administrative infrastructure—to ensure reasonable alignment of costs and revenues.

Principle 4.10: Senior management instills an organization-wide **discipline of compliance with all regulatory requirements.**

4.10.1: My organization annually reviews all applicable regulations and adapts internal procedures to ensure timely compliance.

4.10.2: My organization implements policies, procedures, and an accountability structure for managing government grants/contracts and financial obligations.

Now that you've had a chance to carefully work your way through each proof point, we encourage you to **take a step back and reflect** on your organization's overall progress on **Pillar 4**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 4 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 4 do you have the "right people in the right seats" in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 4 self-assessment the next time around?

What additional resources or support do you need?

Principle 5.1: The board, management, and staff **understand the organization’s mission and desired results and review them periodically** to ensure that they are still relevant.

5.1.1: My organization’s leaders revisit our mission every three to five years to determine whether it needs to be revised.

5.1.2: My organization’s leaders periodically review and revise our organization’s goals.

Principle 5.2: The board, management, and staff **continually seek to do even better for the people or causes they serve.**

5.2.1: My organization’s leaders create frequent opportunities for people at all levels to reflect on our results and processes and how we can continually improve them. Examples include soliciting staff and target population/target audience feedback; devoting time and space to analyzing and interpreting data; reflecting in staff meetings on successes and failures and using data to review progress on organizational and individual goals.

5.2.2: My organization sets “stretch” goals to push us out of our comfort zone and to help us keep improving our people, processes, and results.

5.2.3: My organization can point to recent examples in which we made major changes to a program, service, and/or process after we learned that we were not as effective as we had hoped.

Principle 5.3: My organization’s board, management, and staff are **open and transparent about their results**—whether the results are positive or negative—to fuel learning and improvement.

5.3.1: My organization devotes time and space to sharing and discussing with relevant staff and board members the implications of results.

5.3.2: My organization communicates relevant results to stakeholders and solicits their feedback.

Principle 5.4: People in all parts of the organization have **high expectations of themselves** and of their peers.

5.4.1: My organization can cite recruitment and staff-development practices that nurture a culture in which individuals at all levels are motivated to do high-quality work and to keep improving over time.

5.4.2: My organization uses staff meetings, orientation sessions, and/or other opportunities to showcase and celebrate exemplary staff performance.

5.4.3: My organization promotes excellence as the norm. We aim to constantly raise the bar and improve in every aspect of our work by training and motivating our people, reviewing and iterating our practices, and learning and documenting how to deliver better results.

Principle 5.5: The board, management, and staff **take on the challenge of collecting and using information**, not because it’s a good marketing tool, and not because a funder said they have to. They

believe it is integral to ensuring material, measurable, and sustainable good for the people or causes they serve.

5.5.1: My organization collects and uses data to determine if we're on course to achieve our desired results and help us learn and improve. A secondary purpose is external—to demonstrate to our stakeholders that we are worthy of support.

Principle 5.6: The board, management, and staff recognize they can't fully understand the needs of those they serve unless they **listen to and learn from constituents in formal and informal ways**.

5.6.1: My organization seeks feedback in appropriate ways to understand the experiences and preferences of our target population or target audience.

Principle 5.7: The board, management, and staff take the time to **benchmark themselves against, and learn from, peer organizations** that are at the top of their field.

5.7.1: My organization studies research, case studies, and news articles to help us learn from other organizations. We're interested in gleaning insights not only for improving our programs but also for strengthening any of the PI's seven organizational pillars.

5.7.2: My organization's *board* regularly engages in discussions with peer organizations to share lessons learned and experiences. We also participate in relevant professional associations and learning networks that help us compare our processes and results with similar organizations.

5.7.3: My organization's *management and staff* regularly engage in discussions with peer organizations to share lessons learned and experiences. We also participate in relevant professional associations and learning networks that help us compare our processes and results with similar organizations.

5.7.4: My organization can cite specific examples in which we have studied other organizations and then incorporated what we have learned to develop people, refine processes, and improve performance.

Principle 5.8: Senior management leads by example and encourages people throughout the organization to **be curious, ask questions, and push each other's thinking** by being appropriately and respectfully challenging. High-performance cultures are innovative cultures, mindful that every program and process eventually becomes dated, even obsolete.

5.8.1: My organization's leaders are open to—and do not punish or ignore—respectful pushback.

5.8.2: My organization allocates time in key meetings for questioning and encourages staff to challenge the status quo.

5.8.3: My organization can cite examples of learning and/or changes in practice that stemmed from staff and stakeholder input.

Principle 5.9: Senior management creates an environment in which staff members **feel safe acknowledging when there are problems**. They use what others might deem “failures” as an opportunity to listen, learn, and improve.

5.9.1: My organization’s leaders model self-reflection and humility by acknowledging their own shortcomings and use “failures” as opportunities for learning.

5.9.2: My organization’s staff bring problems to the attention of leaders and managers. When they do, leaders and managers take the concerns seriously and seek solutions.

5.9.3: My organization can cite an example of a “failure” that sparked reflection, analysis, and improvement—not recrimination.

Principle 5.10: Even the busiest leaders, managers, and staff members **carve out formal and informal opportunities to step back, take stock, and reflect**.

5.10.1: Because the urgent often squeezes out the important, my organization’s leaders, managers, and staff members periodically set aside uninterrupted time on their calendars to read and think. They use this time to reflect on their own performance and on our people, processes, culture, and results.

5.10.2: My organization periodically affords staff an opportunity to step outside their daily demands of email and meetings (e.g., through retreats, professional development sessions, or even on a nature walk).

5.10.3: My organization’s senior leaders have an open, honest conversation at least once a year about the level of effort that will be required as individuals and as a leadership team to hit our goals. Each leader does a “gut check” to ensure that he or she is on board and committed to the organization’s success.

Now that you’ve had a chance to carefully work your way through each proof point, we encourage you to take a **step back and reflect** on your organization’s overall progress on **Pillar 5**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 5 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 5 do you have the “right people in the right seats” in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 5 self-assessment the next time around?

What additional resources or support do you need?

Principle 6.1: The board, management, and staff work together to **establish quantitative and qualitative indicators** tightly aligned with the results they want to achieve, for each program and for the organization as a whole.

6.1.1: My organization has determined what we need to measure internally to continuously improve delivery of programs and confirm whether we are on track to achieve our intended results.

6.1.2: Our management and staff have identified what information we need for analysis of long-term patterns, trends, and correlations. (For example, how have the numbers served, outcomes, and cost per outcome changed over the past 24 months?)

Principle 6.2: Management and staff **produce frequent reports on how well the organization is implementing its programs and strategies**. Management and staff use these reports to chart course corrections and make operational adjustments and programmatic improvements on an ongoing basis.

6.2.1: My organization can generate timely and user-friendly reports from our data systems to help us gauge organizational and program effectiveness and drive improvements in all facets of our organization.

6.2.2: My organization has staff responsible for our data systems' implementation and maintenance. Responsibilities include:

- providing ongoing training
- supporting staff who have difficulties entering or accessing data
- developing reports that show if the organization is achieving intended results
- analyzing data in an ongoing way for quality assurance
- ensuring data is accurate and entered in a timely manner
- ensuring that the right people have the right information at the right time in the right form
- planning system enhancements.

Principle 6.3: Management and staff **make the collection, analysis, and use of data part of the organization's culture and daily operations**. They ensure that people throughout the organization understand the key metrics. And they invest in ongoing training to help staff gain comfort in working with data as a natural part of their job.

6.3.1: My organization's staff—from the front lines to managers and executives—have access to data that help them do their jobs effectively on an everyday basis.

6.3.2: My organization's leadership regularly shares program and overall organization results with staff and board, allowing for questions, celebrating successes, and learning from failures.

Principle 6.4: Management and staff **deploy systems to collect and analyze constituent feedback**, drawing on existing tools whenever possible. The best systems not only help staff understand

constituents' views; they also help ensure that participants play a role in creating needed improvements.

6.4.1: My organization has implemented a standardized process for regularly collecting our target population/target audience's feedback on how well they are being served by our programs and staff. We make this feedback accessible to and actionable for staff. We periodically share and discuss it with our target population/target audience as well.

6.4.2: My organization has assigned an individual or team to collect and respond to feedback from our target population/target audience in a timely manner.

Principle 6.5: Management and staff of direct-service organizations **put special emphasis on data about recruitment and engagement of their target population** so they can find out if they are reaching the people they aspire to serve and engaging them in activities long enough to make a difference.

6.5.1: To improve recruitment and engagement, my organization routinely collects data about participant characteristics (e.g., demographics and risk factors), recruitment, enrollment, participation, and exit.

Principle 6.6: Management and staff **prioritize collecting information that's relevant for determining how well they are achieving the desired results**, understanding what mix of efforts is critical to achieving those results, and continuously improving their results over time.

6.6.1: My organization periodically assesses whether the information we collect, analyze, and use continues to have high value and relevance. We can cite specific cases in which we added or deleted metrics based on what we have learned.

6.6.2: When possible, my organization engages in constructive dialogue with funders about their data requirements to ensure that the data we collect are meaningful to both our organization and the funder.

Principle 6.7: The board, management, and staff **draw extensively on lessons from organizational assessments and evaluations of like programs** serving similar causes or populations.

6.7.1: My organization invests in an evaluation and learning function to stay abreast of research and assessments/evaluations of similar programs. We use staff meetings, workshops, and other communication channels to share relevant findings.

6.7.2: My organization periodically brings in outside experts to brief our management and staff on the latest discoveries, trends in the field, and areas where we can improve.

Now that you've had a chance to carefully work your way through each proof point, we encourage you to take a **step back and reflect** on your organization's overall progress on **Pillar 6**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 6 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 6 do you have the "right people in the right seats" in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 6 self-assessment the next time around?

What additional resources or support do you need?

Principle 7.1: Leaders **complement internal monitoring with external evaluations conducted by highly skilled, independent experts.**

7.1.1: To help drive improvements in our organization, we periodically arrange for external evaluations conducted by experts with credibility in the field.

Principle 7.2: Leaders commission external assessments to **learn more about how well their programs are being run, what these programs are or are not accomplishing, who is or is not benefiting, and how the programs can be strengthened.** Leaders do not use external assessments as a one-time, up-or-down verdict on the organization's effectiveness.

7.2.1: My organization's external evaluations are designed to assess the reliability and validity of our internal performance data; the quality of our implementation; and the overall effectiveness of our efforts.

Principle 7.3: Leaders recognize that there are many different types of external assessments, and **no one type is right for every organization or for every stage of an organization's development.** Independent evaluators who understand how different methodologies fit different contexts can help leaders **match the tool to the task.**

7.3.1: My organization has adopted a formal external evaluation plan that spells out the different types of evaluations that will be relevant for us at different stages of our development. We update the plan periodically.

7.3.2: My organization's plan includes *formative* (implementation) evaluation to help us determine:

- the quality of our internal data and program implementation
- whether we are delivering programs with fidelity to our model
- how well we are doing at recruiting and enrolling the population for which our programs are designed
- our program utilization, program completion, and participant engagement
- which clients achieve the intended outcomes, which do not, and which exit the program prematurely.

7.3.3: My organization's evaluation plan includes *summative* (impact) evaluation of programs that have been running as intended for several years, to help us determine whether we're making a difference beyond what would have happened anyway.

Principle 7.4: Leaders draw a clear distinction between outputs (e.g., meals delivered, youth tutored) and outcomes (meaningful changes in knowledge, skills, behavior, or status). Those who are working to improve outcomes **commission evaluations to assess whether they are having a positive net impact.** In other words, they want to know to what extent, and for whom, they're making a meaningful difference *beyond what would have happened anyway.*

7.4.1: My organization's internal performance data clearly distinguish between outputs and outcomes—and have been validated by independent experts.

7.4.2: My organization's external evaluators use *output* data to help us learn about program quality and fidelity.

7.4.3: My organization's external evaluators use *outcome* data to help us determine whether we're making a difference beyond what would have happened anyway. This requires using a reliable research design to compare data from our participants with data from similar people who did not receive our services.

Principle 7.5: Leaders who plan to expand significantly any programs aimed at improving outcomes have **a special obligation to commission a rigorous evaluation that can assess net impact.**

7.5.1: If my organization plans to grow significantly, we are conducting (or have conducted) both rigorous formative (implementation) and summative (impact) evaluations—with enough lead time to allow us to make critical adjustments and ensure that expanded programs will have the best chance of achieving net impact for those we serve.

7.5.2: My organization has or would put growth plans on hold—and look to redesign them before resuming growth—if/when evaluation findings show that we're having significant trouble with implementation or our clients are not benefiting in the ways we had expected.

Principle 7.6: Even those leaders who commission the most rigorous of impact evaluations do not stop there. They **commission additional assessments to gauge their impact in new settings** (or for new populations) and achieve greater positive impact for the money they spend.

7.6.1: My organization conducts new external evaluations (formative or summative) whenever we make significant program changes, operate programs in new contexts, and/or enroll different target populations.

7.6.2: My organization periodically conducts new summative evaluations, because the societal context in which our organization and programs operate constantly changes.

Principle 7.7: Leaders **share the methodology and results of their external assessments** to help others learn and avoid mistakes.

7.7.1: My organization shares our evaluation *plans* throughout the organization and with interested stakeholders.

7.7.2: My organization shares our evaluation *findings* throughout the organization as the basis for strengthening our programs and with external stakeholders who can benefit from the knowledge.

Now that you've had a chance to carefully work your way through each proof point, we encourage you to take a **step back and reflect** on your organization's overall progress on **Pillar 7**.

Where are you excelling? Where are you falling short of your own expectations? What two or three actions could you take in the next 12 months to lead to the biggest improvement on your Pillar 7 self-assessment the next time around?

Given the importance of human capital for making progress on Pillar 7 do you have the "right people in the right seats" in the words of *Good to Great* author Jim Collins? What more could you do to develop the talent you have and find the additional talent you need? What talent actions would likely lead to the greatest improvements on your Pillar 7 self-assessment the next time around?

What additional resources or support do you need?

GLOSSARY

This glossary provides explanations of terms we used in the Performance Practice. While not exhaustive, it includes terms that may have multiple meanings, due to different perspectives.

Capital budget – Plan for the acquisition of buildings and equipment that will be used by the organization in one or more years beyond the year of acquisition. A minimum-dollar cutoff must be exceeded for an item to be included in the capital budget.¹

Capital reserve fund – A resource created by the accumulated capital surplus of an organization, such as by an upward revaluation of its assets to reflect their current market value after appreciation.²

Cash-flow analysis – An examination of the movement of cash into and out of an organization; or the difference between cash receipts and cash disbursements during a period of time.³

Dosage – The amount of service a program delivers to its clients (e.g., one hour of tutoring per week, four two-hour home visits per month).⁴

Evaluation – The systematic assessment, usually conducted by outside experts, of an organization’s attempt to produce significant change through intentional actions. For information on the two key types of evaluations, see “Formative evaluation” and “Summative evaluation” below.⁵

Evaluation plan – A document intended to help an organization map out and prepare for different types of evaluations that will become relevant at different stages of its learning journey.

Fidelity – The extent to which a program is implemented as designed.⁶

Financial model – A mathematical forecasting tool that can help organizations project their financial condition at the end of a given year, assess the likely costs of new projects before committing any funds, or plan for different economic conditions. A financial model generally includes cash-flow projections, depreciation schedules, debt service, and rate of inflation.⁷

Formative evaluation – An evaluation organizations commission to help them improve the performance of a program while it is underway. Also called *process evaluation*. Formative evaluations can be designed to assess any of the following aspects of program delivery: the quality of internal data; the fidelity of a program to its model; how well a program is recruiting and enrolling the population for which it is designed; program utilization, program completion, and participant engagement; and which clients achieve the intended outcomes, which do not, and which exit the program prematurely.

Fund development – The process by which organizations use fundraising to build capacity and sustainability. Fund development is a part of the strategic marketing of a nonprofit organization. It is concerned not only with raising money, but doing so in a way that develops reliable sources of income that will sustain the organization through the realization of its long-term mission and vision. Fund development usually involves building relationships with people and other organizations that will support the nonprofit. It requires a strategic plan that relates funding to the purpose and programs of the organization. A part of the strategic plan will be a fund development plan that coordinates various forms of fundraising, marketing, communications, and volunteer management.⁸

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Impact (also referred to as Net Impact) – Meaningful, measurable results beyond what would have happened anyway. Achieving impact requires not only that good things happen, but also that those things are a *direct result of the organization’s efforts*. Assessing whether an organization has achieved impact almost always requires external evaluations that are capable of factoring out (at a high level of statistical probability) other explanations for how the results came to be.⁹

Indicator – Specific, observable, and measurable characteristics, actions, or conditions that demonstrate whether a desired change has happened toward the intended outcomes. For example, grades and standardized test scores can be used as indicators of academic achievement.¹⁰

Mission creep – The gradual broadening of the original objectives of a mission of an organization beyond its strengths and capabilities, often in response to funding opportunities. Mission creep leads to a loss of focus, which can have a negative effect on organizational effectiveness.¹¹

Net Impact – See *Impact*

Operating reserve fund – An operating reserve is an unrestricted fund balance set aside to stabilize a nonprofit’s finances by providing a “rainy day savings account” for unexpected cash-flow shortages, expenses, or losses. These might be caused by delayed payments, unexpected building repairs, or economic conditions.¹²

Outcomes – Socially meaningful changes for those served by a program, generally defined in terms of expected changes in knowledge, skills, attitudes, behavior, condition, or status. For example, a tutoring program might define its intended outcomes as measurable improvements in reading and math skills.¹³

Outputs – The volume of a program’s actions, such as products created or delivered; number of people served; and activities and services carried out.¹⁴

Participant engagement – Client/participant interest and involvement in a program, as demonstrated by attending and taking an active part in scheduled sessions, interacting appropriately with staff and peers, and following through on commitments.

Professional-development plan – A document created by a manager, in close coordination with a staff member, to help advance the staff member’s learning goals and the organization’s needs. The document spells out specific skills and competencies for further development over the course of the year. And it spells out the ways in which the staff member can, with funding and other support from the organization, develop those skills and competencies (e.g., coaching, networks, training, and other learning experiences).

Program model – A clear, actionable description of all the key activities, and the linkages among activities, designed to produce a set of outcomes. Elements of a program model include what services should be delivered; what activities provided; what competencies staff/volunteers need to deliver the model at a high level of quality and effectiveness; the amount and frequency of services; and the duration of program participation.¹⁵

Program utilization – The degree to which program participants access services during a specific time period.¹⁶

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Reliability – Consistency or dependability of data. Data are considered reliable when the repeated use of the same data-collection instrument generates the same values.¹⁷

Reserves – Money set aside to pay for anticipated expenses. Reserves can be established for many purposes, including emergencies/rainy days, capital improvement, building replacement, future investments, and general operations.¹⁸

Succession plan – A written or unwritten (but explicitly discussed) blueprint laying out in detail how an organization will identify and develop new leaders to succeed current leaders. At its best, a succession plan is a proactive and systematic investment in building a pipeline of leaders within an organization and identifying strong external candidates, so that when transitions are necessary, leaders at all levels are ready to act.¹⁹

Summative evaluation – Evaluation of a program in its later stages or after it has been completed to (a) assess its impact (b) identify the factors that affected its performance (c) assess the sustainability of its results, and (d) draw lessons that may inform other interventions. Summative evaluations are almost always performed by outside experts.²⁰

Target audience – Groups an organization needs to influence if it is to create its intended knowledge, attitude, behavior, or policy change.

Target population – Clients at the core of an organization’s mission with whom it works to achieve measurable outcomes. High-performance organizations are rigorous about defining the criteria for their target populations and using those criteria as the basis for determining who qualifies for services.

Terms of engagement – A set of explicit rules for how leaders, such as board members and the CEO, will engage with one another—to ensure clear, mutual expectations on respective roles, responsibilities, and relationships.

Theory of change – The overarching set of formal relationships presumed to exist for a defined population, the intended outcomes that are the focus of the organization’s work, and the logic model for producing the intended outcomes. A theory of change should be meaningful to stakeholders, plausible in that it conforms to common sense, doable with available resources, and measurable.²¹

Validity – The extent to which the data collection strategies and instruments measure what they purport to measure.²²

Variance analysis – Actual results compared with the budget, followed by investigation to determine why the variances occurred.²³

What-if analysis – A simulation in which key quantitative assumptions and computations (underlying a decision, estimate, or project) are changed systematically to assess their effect on the final outcome. What-if analysis allows organizations to predict alternative outcomes that could result from a particular course of action.²⁴

Zero-based budgeting – A tool for thorough evaluation or reevaluation of each of an organization’s programs, units, and activities to determine if it should be initiated or continued (and if so, how?). The process requires managers to explain the need for the various operations of the organization; there are no built-in assumptions or automatically included items. Those using zero-based budgeting are

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starting the budgeting process from zero (as opposed to using prior budgetary figures to build on in creating the next budget).²⁵

¹ Finkler, S. A., Smith, D. L., Calabrese, T. D. & Purtell, R. M. (2016). *Financial Management for Public, Health, and Not-for-Profit Organizations* (5th ed.). Thousand Oaks, CA: SAGE Publications.

² Adapted from Business Dictionary. (2016). *Capital Reserves*. Retrieved from <http://www.businessdictionary.com/definition/capital-reserve.html#ixzz4B6bkwVEw>

³ Nonprofit Assistance Fund (Undated). *Glossary of Financial Terms for Nonprofits*. Retrieved from <https://nonprofitsassistancefund.org/resources/glossary>

⁴ Adapted from Wasik, B. A., Mattera, S. K., Lloyd, C. M., & Boller, K. (2013). *Intervention dosage in early childhood care and education: It's complicated* (OPRE Research Brief OPRE 2013-15). Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Retrieved from http://www.acf.hhs.gov/sites/default/files/opre/dosage_brief_final_001_o.pdf

⁵ Adapted from Hunter, David E. K. (2013). *Working Hard and Working Well: A Practical Guide to Performance Management for Leaders Serving Children, Adults, and Families*. Hartford CT: Hunter Consulting.

⁶ Adapted from National Implementation Research Network. (Undated). *Glossary*. Retrieved from <http://nirn.fpg.unc.edu/learn-implementation/glossary>

⁷ Adapted from WebFinance, Inc. (2016). *Business Dictionary*. Retrieved from <http://www.businessdictionary.com/definition/financial-model.html>

⁸ Adapted from Strand, Ron. (2016). *Fundraising or Fund Development—What's the Difference?* Retrieved from https://www.experience.com/alumnus/article?channel_id=nonprofit&source_page=additional_articles&article_id=article_175027506594

⁹ Adapted from Morino, M. (2011). *Leap of Reason: Managing to Outcomes in an Era of Scarcity*. L. Weiss & Collins, C. (Eds.). Washington, DC: Venture Philanthropy Partners, in partnership with McKinsey & Company.

¹⁰ Adapted from Morino, M. (2011). *Leap of Reason: Managing to Outcomes in an Era of Scarcity*. L. Weiss & Collins, C. (Eds.). Washington, DC: Venture Philanthropy Partners, in partnership with McKinsey & Company.

¹¹ Adapted from Merriam-Webster Dictionary. (2016). Retrieved from <http://www.merriam-webster.com/dictionary/mission%20creep>

¹² Grant Space Knowledge Base. (2016). *How Much Should My Nonprofit Have in its Operating Reserve?* Retrieved from <http://grantSPACE.org/tools/knowledge-base/Nonprofit-Management/Sustainability/operating-reserves>

¹³ Adapted from Morino, M. (2011). *Leap of Reason: Managing to Outcomes in an Era of Scarcity*. L. Weiss & Collins, C. (Eds.). Washington, DC: Venture Philanthropy Partners, in partnership with McKinsey & Company.

¹⁴ Morino, M. (2011). *Leap of Reason: Managing to Outcomes in an Era of Scarcity*. L. Weiss & Collins, C. (Eds.). Washington, DC: Venture Philanthropy Partners, in partnership with McKinsey & Company.

¹⁵ Adapted from: National Implementation Research Network. (Undated). *Glossary*. Retrieved from <http://nirn.fpg.unc.edu/learn-implementation/glossary>; and Hunter, David E. K. (2013). *Working Hard and Working Well: A Practical Guide to Performance Management for Leaders Serving Children, Adults, and Families*. Hartford CT: Hunter Consulting.

¹⁶ Adapted from Urban Reproductive Health. (2016). *Glossary of Selected Planning, Monitoring and Evaluation Terms*. Retrieved from <https://www.urbanreproductivehealth.org/toolkits/measuring-success/glossary-selected-planning-monitoring-and-evaluation-terms#goal>

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¹⁷ Adapted from USAID (2009). *Glossary of Evaluation Terms*. Washington, DC: Planning and Performance Management Unit, Office of the Director of U.S. Foreign Assistance, United States Agency for International Development. Retrieved from http://pdf.usaid.gov/pdf_docs/Pnado820.pdf

¹⁸ Nonprofit Finance Fund. (2016). *Financial Terms*. Retrieved from <http://www.nonprofitfinancefund.org/financial-terms/r?title=>

¹⁹ Bridgespan Group. (Undated). *Leadership Succession Planning*. Retrieved from http://www.bridgespan.org/Publications-and-Tools/Nonprofit-Management-Tools-and-Trends/Succession-Planning.aspx#.VzZNO_krJPY

²⁰ Adapted from USAID (2009). *Glossary of Evaluation Terms*. Washington, DC: Planning and Performance Management Unit, Office of the Director of U.S. Foreign Assistance, United States Agency for International Development. Retrieved from http://pdf.usaid.gov/pdf_docs/Pnado820.pdf

²¹ Morino, M. (2011). *Leap of Reason: Managing to Outcomes in an Era of Scarcity*. L. Weiss & Collins, C. (Eds.). Washington, DC: Venture Philanthropy Partners, in partnership with McKinsey & Company.

²² OECD Development Assistance Committee. (Undated). *Evaluation and Aid Effectiveness: Glossary of Key Terms in Evaluation and Results Based Management*. Retrieved from <http://www.oecd.org/dac/evaluation/18074294.pdf>

²³ Finkler, S. A., Smith, D. L., Calabrese, T. D. & Purtell, R. M. (2017). *Financial Management for Public, Health, and Not-for-Profit Organizations* (5th ed.). Thousand Oaks, CA: SAGE Publications.

²⁴ Adapted from WebFinance, Inc. (2016). *Business Dictionary*. Retrieved from <http://www.businessdictionary.com/definition/sensitivity-analysis.html>

²⁵ Adapted from Dropkin, M., Halpin, J. and La Touche, B. (2007). *The Budget-Building Book for Nonprofits: A Step-by-Step Guide for Managers and Boards*. Second Edition. San Francisco: Jossey-Bass.