

# Charting for Impact: How Donors Can Identify Community-Based Nonprofits

Speaking with nonprofits can be a great way to learn more about their values, impact, sustainability, and aspirations. These tips and talking points can help guide your conversations with nonprofit leaders and help you understand what positive indicators to look for in your research.



## Value Alignment

Asking a nonprofit leader about their nonprofit's guiding values can be a great way to learn about how they are applied in the day-to-day work. Many nonprofits list their organization's values on their website, or they can be inferred from their values-informed vision and mission statements.

### What to look for in your research:

- The nonprofit has a clear purpose and mission statement.
- The nonprofit communicates effectively about the values that guide its work.
- The work of the nonprofit aligns with its stated values as well as your values.

### Questions to discuss with the nonprofit:

- What are your nonprofit's values? How does the work of your nonprofit align with its values?
- What is your leadership team's vision for the organization, and how is that reflected in their approach?
- What role can my charitable dollars play in fulfilling your nonprofit's values-informed vision?



## Approach and Effectiveness

Understanding the effectiveness of a community-based nonprofit means understanding how the organization's efforts are tracking toward their stated visions and long-term goals.

### What to look for in your research:

- The organization shares impact statistics or stories about its results.
- The work of the nonprofit is community informed—it listens to those affected by its work in order to inform its approaches to meeting community needs.
- The organization collaborates with community partners to expand its impact. Also, its partners and stakeholders speak favorably about the nonprofit's impact (sometimes that is evident through testimonials, successful efforts with other community groups, and/or funding support).

### Questions to discuss with the nonprofit:

- How does your organization listen to and respond to the experiences of those you serve?
- What partnerships do you have in the community that help expand your impact?
- What evidence of your nonprofit's impact do you like to share with stakeholders?



## Leadership

Organizational leaders are navigators for nonprofits who help steer their organizations through uncertain periods of change and ensure that the organization is making sustainable progress toward its goals. Consider how leaders make major decisions and whose voices are influential in decision-making processes. Nonprofits whose leaders reflect the diversity of the community they serve are better positioned to build trust with the community and understand the community's needs. Therefore, consider how diversity is reflected across staff leadership and the Board of Directors.

### What to look for in your research:

- The nonprofit's leadership team have qualifications and expertise relevant to the nonprofit's mission.
- The board has at least five independent/non-compensated members, and they are the board's voting majority.
- The board and staff have diverse backgrounds and represent the communities they serve.

### Questions to discuss with the nonprofit:

- What connections do you have within the communities you serve?
- How do your board and staff represent the communities you serve?
- How do your nonprofit's leaders make major decisions? Whose voices are included in the process?



## Sustainability

As you consider nonprofit sustainability, approach your research with the values of trust and transparency in mind. Nonprofits thrive when they have the resources to innovate and grow around emergent needs, and this includes adequate funding for administrative support. You might also consider how an organization has historically leveraged its funds while understanding that periods of financial hardship are natural.

### What to look for in your research:

- The nonprofit is transparent (e.g., Form 990s and audited financials are on the website or available on request).
- Trends in the nonprofit's revenue and expenses are aligned and moving in a healthy direction.
- The nonprofit has supporters who are informed about the region and types of issues being addressed.
- The organization has weathered any previous challenges and strategically readjusted to setbacks.

### Questions to discuss with the nonprofit:

- How would you describe your organization's financial health and future financial goals?
- What are your aspirations for your organization in five years? Ten years?
- What if you could dream as big as you could with unlimited resources? Would you shift your strategy?
- What would you be able to do with multi-year funding support?

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