Best Practices

in Operation and Structure for
Community-Based Organizations

PCRG
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Executive Summary

This report is the result of research conducted on community based organizational operation and structure. Based on this research, best practices and general recommendations are identified to assist lower capacity community based organizations in organizational operation and structure. Who should be involved with the organization, duties of those involved, and additional resources to use are all included as important categories of organizational operation and structure. A brief case study is included to provide a successful example of these strategies being executed by a local Pittsburgh community and its organizations of similar abilities. A flow chart is also provided to show the steps of establishing an organization.

Methodology

Research was conducted by interviewing staff of eleven community development intermediary nonprofits and community-based organizations located in Pittsburgh, Pennsylvania. Organizations selected for interviews were identified by PGRG staff and members as exhibiting successful or unique practices in organizational operation and structure. Individuals were also recommended based on professional knowledge and experience in the same focus area. Interview questions were created based on the person’s or organization’s field of expertise, programs provided, and practices related to operation and structure. The information provided in the interviews was recorded and reviewed, and general recommendations and best practices were created from commonly mentioned practices, programs, and advice. Online research helped guide the creation of interview questions and confirmed certain best practices. A case study is included of a local community’s two organizations to provide examples of organizational operation and structure strategies being used successfully by volunteer-based organizations. The flow chart is meant to assist community members in determining if and how they should form a community organization.

How to Use This Guide

This report has identified twenty-seven operation and structure best practices, each of which can be tailored to fit your organization. Consider your organization’s size, capacity, and needs to determine which best practices can be implemented. While a variety of best practices and suggestions are provided, it is not meant to be prescriptive or all-inclusive. Rather, this guide is meant to help organizations quickly assess their performance and capacity and then set realistic goals to improve their operations and structure.
Organization Operation and Structure

The operation and structure of an organization is important for its success. While often overlooked, knowing and following the roles and functions of each individual as well as a whole organization ensures all responsibilities are covered but do not overlap. Keeping the following suggestions and best practices in mind will help the organization run to the best of its ability, keep work minimal and efficient, and allow more time for the organization to focus on its mission and providing services.

Board of Directors

Responsibilities with and without staff

1. All boards are responsible for obtaining funding sources

The duties of the Board of Directors differ between organizations that have staff and those that do not. One thing that does not change is the board’s responsibility to spearhead the efforts of securing the resources to fulfill the organization’s mission.

2. Boards with at least one staff person are responsible for governance and holding staff accountable

The main objective of the board of directors in organizations with at least one staff person is solely governance. This includes overseeing the staff and holding them and their actions accountable to the organization’s mission. The relationship between the staff (usually the executive director) and the board must be open and honest. Communication and providing checks and balances, including an annual review, between board and staff are necessary actions.
Boards without staff should provide equal dedication to governance and operations

When an organization does not have staff, the board becomes a working board. Therefore, equal time should be spent on governance and operations. Often times, however, governance gets pushed aside for operational work. Because of this, it is important to separate the two areas in some way, shape, or form. There is not one way to divide these responsibilities, so it is up to the board to determine the most effective way that works for them. Some suggestions include two separate meetings, two separate groups of the board, or dividing one meeting into two sections.

Who should be on the board?

Coordinate board expertise with organizational mission and scope of work

When determining who should be on the board, consider the work to be done by the organization. What professional expertise would be necessary and beneficial to have? Some commonly needed skills include legal, financial, marketing, fundraising, programming experience, and connections to foundations or fundraisers. Knowledge of local community development practices, processes, and organizations is also crucial.

Create a diverse board for more experience and to attract a diverse donor base

Board diversity is very important. The board of the organization should represent the demographics of the community including age, sex, race, and ethnicity. Diverse beliefs and perspectives are helpful as well. A person should not, however, be added to the board for his/her diversity alone; they must also meet other needs of the organization.

Resident participation ensures the community’s voice is heard

While having professional knowledge on the board is helpful, it is also necessary to have resident participation on the board. Without resident voice and guidance, the goals may slowly shift away from the original concerns of the community, either intentionally or unintentionally. If residents are not involved on the board, the organization should have a close relationship with a community group. Together the groups provide support from the community as well as important stakeholders.
Acquiring new board members

7 Have a plan for replacing board members for a smooth transition

It is important to have a plan in place for when it is time to bring on new board members. An assessment of who is leaving the board and what skills they are taking with them should be used. Since board terms are defined, this allows for extra time to search for members with the appropriate skills and a transition period before the term ends.

8 Provide effective on-boarding activities to get new board members acquainted with the organization

For all prospective board members, position descriptions should be provided with the expectations and duties required. Once invited onto the board, a new board orientation should be provided. It is also recommended to pair each member with a senior member mentor as well as give introductions about the available committees right away. These inclusive practices help everyone feel appreciated and important to the team, and help the new member get acclimated to their position.

Committees

What are committees?

9 Committees are created to allow a greater focus on specific topics

Committees are additional groups formed to work on one specific topic, concern, or project each. The duties are outlined by the board, and they satisfy the board's governance responsibilities or objectives in the organization’s strategic plan. Separate committees allow for greater attention to the work involved in that area. The work of the committees goes back to the board for approval or recommendations for improvement.

10 Committees are established as standing or ad hoc depending on work timelines and commitments

Standing committees are ongoing and focus on running a successful organization. Examples include board development, executive, finance, and fundraising committees. Ad hoc committees are created to accomplish a short term project or goal, such as a special event, campaign, or an internal transition. Standing committees are declared in the organization’s bylaws while ad hoc committees are created upon board agreement to do so. Committees dissolve if work is successful and no longer needed, or organizational priorities change.
General committee practices

11 Committees provide resident participation and contribution

An organization determines if they will allow non board members to be on committees. This is a great way to involve those who wish to be involved but cannot dedicate enough time to be on the board of directors. This grassroots effort allows residents to work closely with the board of directors and be a part of the work being done in their community without being involved with all of the governance responsibilities. Additional expertise is acquired by allowing community members to be on committees. Prospective board members could also be discovered through committee participation.

12 Oversight and guidance from board members keeps committees on track and focused

It is sometimes helpful to have board members as committee chairs to provide oversight and guidance, though any committee member can be elected or volunteer to be the chair. Committee work should keep in mind and compliment the organization’s overall functions and goals, rather than separate work into smaller groups. Organization between board and committees is necessary to not overlap duties. A committee update is often provided at board meetings. With proper guidance, coordination of committees can be achieved.

Members
What is a membership organization?

13 Members provide organizational governance and support

An organization can determine if they would like to be a membership organization or not. Usually for an annual fee, members provide organizational support and receive some kind of service or assistance in return. Members usually have a strong governance responsibility by having a say in voting on electing or removing board members, changing the organizational structure, and amending the bylaws. While members provide additional expertise and a feeling of accountability for the organization’s success, the additional time-consuming work and legal responsibilities should be considered when making this decision.

14 Member engagement activities help attract and retain desired members

Engagement is important even before people or groups become members. Appropriate outreach and engagement helps the organization acquire ideal members that fit the needs and mission of the organization. Ensuring that members will stay involved with the organization year after year also requires continued engagement. Interactive activities like meetings and events will keep members involved and satisfied.

Volunteers

Volunteer Duties

15 Volunteers increase an organization’s capacity and outreach

Volunteers are a great asset to nonprofit organizations. They provide free assistance, usually due to their interest or personal connection with the organization’s mission. A variety of tasks can be given to volunteers, from assisting with projects and events, to more internal operations like answering phones. Volunteers allow the organization to expand its outreach by having the time to meet with community members and call current and potential donors. Dedicated volunteers may be given an ongoing job with weekly goals, much like a paid staff position.

16 Consider volunteer programs like AmeriCorps, PULSE, SCA, Coro, and AARP for additional help

Volunteer service programs provide committed work from volunteers for a secured amount of time. Positions can be full or part time, and work is determined by the organization, with certain limits imposed by the programs. These volunteers increase the capacity of the organization and are able to take on additional tasks the organization could otherwise not pursue.
## Retention

17 With appropriate management, volunteers provide vital support to organizations

Effective management allows for a smooth process of keeping track of volunteers and their duties as well as communicating with them. If the organization is reliable and professional, volunteers will more likely stay with the organization.

18 Align duties with personal interests to encourage continued participation

If possible, the work given to volunteers should relate to their interests and expertise. This allows for more satisfaction and productivity in the work they do, as well as dedication to the organization. Additionally, letting volunteers learn new skills and be challenged will keep them interested and engaged with the organization.

19 Volunteers are more likely to stay with an organization if they feel appreciated

Many organizations reward their volunteers for their work. Gifts, recognition, dinners, or discounted services could be provided to volunteers at little cost to the organization. While these efforts may seem small, volunteers will greatly appreciate being recognized for their work for the organization.

## Partnerships

### Reasons for partnerships

20 Partnerships provide free to low-cost organizational support

Every organization should take advantage of forming partnerships, as they allow organizations to work with community institutions in a variety of ways. Networking (in any and every way), referrals to or assistance with services provided by partner organizations, in-kind donations and support, as well as an expanded pool of potential volunteers are just a few benefits of partnerships.

21 Partnerships provide expanded outreach support

Partnerships are also great for joint event, fundraising, and outreach efforts, which lower the costs and increase the benefits for each organization. Joint efforts provide additional support from more people as well as allow each organization to gain new followers. Collaborations and partnerships can be beneficial for obtaining grants, as lenders appreciate seeing organizations work together.
Potential Partnerships

22 Partner with organizations of similar missions to share resources and volunteers

Every business and organization in the community should be considered for a partnership. Having similar missions, points of view, or previous relationships will help in securing and maintaining successful partnerships. Working toward a similar mission can provide an overlap of help, volunteers, and services. Organizations with complementary services should also work together, as they can provide what the other organization does not.

23 Local professionals may provide pro bono work

Local professionals are very helpful partners. They can provide pro-bono and discounted services that are usually expensive to hire, such as financial or legal assistance.

24 Special service organizations provide expertise on particular needs

It is not possible for an organization to provide every need to the community. There are organizations created to assist with one specific issue, and those are the organizations to take advantage of, as they are very knowledgeable in their area of work.

Examples in Pittsburgh:

*Rebuilding Together Pittsburgh*: For a large senior, veteran, and physically disabled population in need of home repairs.

*Big Brothers, Big Sisters and Center of Life*: For a large youth population in need of mentorship.

*GTECH and Tree Pittsburgh*: If infrastructure projects are a concern.
Local universities provide many valuable services

A very valuable but often underused resource is a local college. Students gain real world work experience in their field of study while the organization receives free assistance in its area of need. If a formal program isn’t set up with the university, most professors are willing and excited to include a program in their class. Networking between students, the organization, and other faculty and professors benefits all parties involved by bringing positive attention to them individually as well as collaboratively.

Partner with a successful organization to gain insight and recommendations

Establishing a mentorship with a seasoned, successful organization will provide knowledge, advice, and recommendations for surviving and excelling in the community.

Shared services allow organizations to afford professional expertise

Organizations can gain professional assistance by partaking in shared services with other organizations, mainly in the form of a shared staff person. This is helpful for organizations that do not have enough funds to support a full-time staff member but still need to fill a gap of expertise. Since the position is shared, the work demand cannot be that for a full-time staff person. As this idea is becoming more popular, Neighborhood Allies is starting to receive grant requests for this idea, and it is hopeful that more grant programs will see its usefulness and be open to supporting it.

Example:

Two groups of organizations in Pittsburgh that have shared CFOs are the Arts Finance Cohort and the Environmental Finance Collaborative. They consist of four and five organizations respectively, with similar missions and interests.
Putting It All Into Practice

The more in-tuned and aware an organization is of individual and group duties and operations, the more successful and efficient that organization will be. This starts with the board, as it provides oversight and governance, and even more responsibilities if there is no staff. With the organization’s mission in mind, being aware of the desired skills of the board ensures qualified and experienced people are involved. Structured position descriptions for each individual further define and acknowledge responsibilities and expectations. A board should be as diverse as the community to provide a voice and support for every resident. Committees allow for residents and the organization to work together and support the organization’s work. Further support is provided if the organization decides to have members, increasing both monetary and human capacity. Lastly, volunteers provide additional assistance to the organization free of cost.

It is important that an organization knows it does not have to do everything itself. Partnerships are vital for every organization, big and small, to receive assistance and services it does not specialize in. Local professionals, universities, and special service organizations are just a few suggestions of useful partnerships. Creating relationships with other organizations and businesses within the community allow for these groups to work together. Partnerships allow organizations to save money, create a larger network of supporters, and receive services in return for providing services. Sharing a staff person is gaining popularity amongst organizations to bring on additional important staff at a fraction of the cost.
Organization Operation and Structure Case Study

Highland Park CDC and Community Council

The Highland Park CDC is an all-volunteer organization with a working board. All of the board members are residents to the Highland Park neighborhood. This CDC is a successful example of providing development efforts within the community. Since the Highland Park Community Plan was created in 2004, the CDC has worked toward and accomplished many of the goals outlined within it. One of the biggest successes is the development of Bryant Street. Many new restaurants have been added and prospered ever since. The newest development is a recently built mixed-use building that provides housing and retail space, where one business has already created its home.

There are many reasons for the CDC’s success, the biggest being the professional experience of the board. Every current board member is of a position to provide valuable expertise and resources, which help them secure its operating and program budgets of respectable sizes. This did not happen overnight, however, but grew overtime. The CDC had a focus of building a strong board to carry out its mission and did so by being aware of its desired skills. Once the skills were defined, reaching out to existing professional connections as well as meeting with residents in the community occurred.

The CDC also has a close relationship with the Highland Park Community Council, which is also run by volunteers and provides the advocacy and social events for the community. Together, the partnership allows for resident input and participation with community development activities.

The Highland Park Community Council is also successful with community efforts and uses many best practices. Monthly meetings are held every third Thursday at the same time and place, which is centrally located in the community. It holds free annual events that draw large crowds like the yard sale, Bryant Street Festival, and Reservoir of Jazz as well as different volunteer opportunities throughout the year including beautification projects. These activities keep the residents active, engaged, and excited about the community they live in. One event that does cost money is the Highland Park House Tour. It is one of the main annual fundraising events for the Council and allows for the free events to continue throughout the year. Monthly newsletters are also created and distributed through email to all those who subscribe, which is almost 1,200 people. They are also a membership organization, with more than 500 members. The annual fee is 25 dollars and supports the Council’s efforts in recreation, the park, education, safety, zoning, and the recruitment of businesses to the Highland Park business district. While becoming a member does not provide any additional incentives, it is a great way to bring in additional money annually and allows those who wish to support the Council and neighborhood to do so.
Establishing an Organization

Function 1: Programs

Activities

- Organizations efforts are focused on programs
- Create programs reflecting organizational principles
- Day-to-day duties reflect organization’s principles

Function 2: Convene

Advocate

Groups to work toward goals on certain issues

Organization brings together the appropriate areas

How will you function?

Establish organization’s purposes and focus
Create organization’s mission and vision
Determine the organization’s strengths
Purpose of your work

Is there a gap in community capacity that your group could fill?
Support your efforts
Is there an existing capacity in the community to efforts?
Would community resources support your group?
Need in the community

Community? Would the work benefit the people of the organization?
Do you have a common goal and similar values?

Organization?

Are you a group of people who want to form an organization?
Determine the type of organization based on work and funding needs.

**Type 1: Unincorporated**
- Community group
  - Not tax-exempt (no formal filing requirements)
- Establish a fiscal partnership to apply for grants and
- Volunteers needed

**Type 2: Incorporated**
- Nonprofit
  - Able to apply for some grants
  - May or may not have formal staff
  - Requires incorporation on the state level
  - Tax exempt from state-level taxes

**Type 3: 501(c)(3) Organization**
- Able to apply for almost all grants
- Allows donors to write-off contributions
- Federal tax exemption for sales and income taxes

**Organizational Structure**
- May or may not become a member
- May or may not have formal staff
- Volunteers can provide additional organizational assistance
- Committees are headed by board member
- Must have a board of directors

**Programs and Work**
- Sustainable funding levels necessary for
- Single funding efforts
- Providing community events and outcomes
- Interconnected nonprofit
- Main focus with large amounts of money

**Type 2: Nonprofit**
- Will be applying for grants

**PCRG | Best Practices in Organization Operation and Structure | A2**
## Contact List

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<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Website</th>
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<td>Katie Hale</td>
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<td>Rachael Surmick</td>
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<td>Alan Sisco</td>
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<td>Cara Halderman</td>
<td>CTAC (former employee)</td>
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<td>Demi Kolke</td>
<td>Operation Better Block</td>
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