

# ALTMAN FOUNDATION

## GUIDANCE FOR CAPACITY BUILDING APPLICATION

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For this type of investment, we select organizations that show long-term promise or have demonstrated effectiveness in their field but need enhanced capacity to create increased and sustainable results. We view capacity building as a means, not an end. For example, an organization is not higher achieving because it has a new person or a strategic plan, but because the new person or plan leads to stronger results for individuals, families, and communities.

Please note that for some questions we do not provide guidance because we believe they are self-explanatory.

**The narrative section of this application (A & B) should not be more than six pages in length. Please use bullet points where appropriate.**

*If you are applying for both direct service and capacity building support, please complete all of the Direct Service Application and only part B (questions 7-13) of this application.*

### **A. ORGANIZATIONAL CAPABILITY**

1. What is your **mission and vision**?
2. Please briefly summarize the **programs and services** your organization provides.
3. What are your organization's **core competencies**? What does your organization do especially well?

#### **Guidance:**

*Please describe the factors that make you particularly good at serving and creating value for the constituents you serve. Where relevant, you may include factors such as special skills, in-depth knowledge, access to specific resources or data, influence, staffing, cost structure, customer service strategy, geographic focus, scale, delivery models, performance management, key partnerships, evidence-based practice, etc.*

4. **List the top three results** your organization has achieved in the past three years. Please focus on the tangible results you have helped create for those you serve.
5. Please have your senior financial person review the audited financial statements that you plan to submit with this application, **including the statement of activities, balance sheet, and statement of cash flows**, and comment on the major financial trends and challenges that your organization has

experienced during this period and the plan you have put in place to manage these issues effectively. If major shifts in expenses or income, operating deficits, negative cash flow, rising receivables or payables, and use of debt are affecting the overall health of the organization, please explain.

6. How does your **Board of Directors** ensure the financial health and viability of the organization, set strategic direction in accordance with mission, and evaluate organizational effectiveness, particularly in this economic climate? Please also include the number of board meetings per year and the average attendance at board meetings.

## **B. CURRENT REQUEST**

7. Describe the **challenge or opportunity** your organization needs to address to achieve greater gains for those you serve.
8. Describe the **new capacity** you wish to create in response to the challenge or opportunity defined above. Please be specific about what new capabilities will be put in place.

*Guidance: What are you proposing to do to respond effectively to the problem or opportunity outlined above? Examples might include:*

*Staff & board development - Hiring and training, reducing staff turnover, identifying and developing the right leaders, etc.*

*Organizational structure - Reviewing, altering, or enhancing roles, functions, reporting relationships, or other core features at a point of growth or other shift in opportunity or challenge.*

*Strategic planning, direction-setting, and evaluation - Developing new plans or designs to focus the organization on how to define, achieve, track, verify, and report results for those served.*

9. Define the new and/or additional **results** you will achieve with increased capacity. Please be as specific as possible about the degree of change you expect as well as the timeframe for that change to occur.

*Guidance: A successful return on investment from capacity building can fall into a number of categories, the four most common are:*

*Reducing expenses - Improving efficiency, whether in the area of general operating costs (e.g., reducing overhead) or service delivery, can make an organization more sustainable.*

*Increasing revenue - Through fundraising, developing alternative sources of income generation, or other steps, the organization can build income from a new capacity. An increase in volunteers and/or receipt of in-kind goods or services also counts as increased revenue.*

*Improving results for your clients - Capacity building may prompt better results in two distinct areas: more people get the results you intended and/or additional results are achieved.*

*Decreasing time to get results - Reducing the time it takes to achieve a certain result is a key but often unappreciated measure of non-profit effectiveness.*

*Here are two examples of concrete results from capacity building:*

- Four new board members will join the organization in the next ten months, actively participate in a board committee, and “give or get” at least \$150,000 in new donations between them within one year of joining.*
- Our strategic plan will lead to program improvements that will increase the academic achievement of those we support in after-school programs by 10 percent (as measured by average standardized test scores) in the next two years.*

10. Outline the **three or four steps most critical** to achieving your capacity building results, tell us what has to be accomplished at each step for you to be on the path to success, and provide a rough timeline.

*Guidance: We are not asking for a detailed work plan. We would like a brief description of the most critical steps in your capacity building efforts and what you need to achieve at each step to be successful.*

#### **Example 1: Board Development**

*To achieve our result of four new board members who “give or get” at least \$150,000 among them, and actively participate in at least one board committee, we will:*

- 1. Hire a board development specialist and identify ten prospects for board members within three months. Achievement: In at least seven of these cases, we have both a clear path to their door (e.g., trustee link) and some degree of receptivity when we get there.*
- 2. Gain commitments for board from four prospects within seven months. Achievement: Prospects joining the board agree to clearly defined “give or get” policy.*
- 3. Board members attend first three meetings. Achievement: All four new members join a board committee and at least three of the four new members gain strong enthusiasm for the organization and begin actively fundraising within six months.*

#### **Example 2: Strategic Plan**

*To achieve our result of a new strategy that leads to a 10 percent increase in academic achievement by those we support in after-school programs in the next two years, we will:*

- 1. Engage a consultant within a month and develop the plan within four months. Achievement: The plan contains a true strategy—a distinctive approach that offers comparative advantage over the way we have done things in the past and compares favorably with best practices in the field.*

2. *Track progress as system changes are piloted. Achievement: The first “returns” from using our new strategy (which will begin while the new strategic plan is being finalized) show improved results over our previous approach.*
3. *Complete implementation within twelve months. Achievement: All staff fully trained in new approach and tracking results across after-school programs.*

11. What are the critical **changes in organizational policy or staff behavior** that must take place for this new capacity to have the greatest impact?

Guidance:

*In most cases, a new capacity is not successful until at least some changes are made in how people and the organization work. A new computer system, for example, adds value only if staff are fully committed to and capable of using it. Please list the organizational changes (e.g., policies and practices) and specific behavioral changes that will be required to make the new capacity effective.*

12. If the new capacity is dependent on either a **new staff person or consultant**, what characteristics are critical to this person’s success? If you have already identified the staff person or consultant, please attach a resume.
13. If the new capacity will lead to a net **increase in operating costs** (e.g., maintaining a new computer system, adding staff, increasing the number of program participants), how will you cover these costs in the future?