

# Nonprofit Leadership Essentials

Building a Thriving Nonprofit Starts at the Top



12 Key Characteristics of Great Nonprofit Leaders

## Overview

Some of the best nonprofit organizations are in the place they are due to great leadership. If nonprofits were ships being sailed across the sea, you'd see two scenarios. A nonprofit being steered by poor leadership might be staying afloat, even in the lead temporarily. But if you were to peer into the cockpit, you'd see chaos and disarray. With a visionary leading the ship, the crew is a well-oiled machine, working as one unit to cross the sea and make it toward their goal: a safe landing.

Which ship would you want to be on?



It takes a special skillset to become an effective leader. Some of these skills can be taught through schooling and mentorship. Others are innate or learned over time. Most of us possess at least some leadership abilities, but have areas that could use improvement.

That's why we're providing this handy guide. Even if you think you're a great leader, read through it. It might reassure you of the areas where you're exceling. It may also reveal points of potential improvement.

# 12 Nonprofit Leadership Essentials

## 1. Create Clear Board Roles

The best candidates for Board Members are people who have a passion for the organization's mission. Having a strong connection to the underlying purpose means that they will have a vested interest in helping the organization grow. We all know how many skilled people it takes to solicit donations, fundraise, recruit and retain volunteers and meet overall goals.

Board Members must have clear roles and responsibilities in order for the organization to be successful. The role of the Nonprofit Board centers on providing the organization with sound governance as well as fiduciary and strategic oversight and direction.

Start by providing a written, clearly worded overview of Board responsibilities from the recruitment phase on. This is especially important for new members who haven't previously served on any other boards. To ensure that all Board Members understand their responsibilities, the Board President should have a sit-down meeting with all Board Members to outline each role.

The key to success in the leadership team of the Executive Director and the Board is the ability to understand the expectations of each other and to communicate frequently. Joint responsibilities include establishing the priorities of the organization based on the overall strategic plan. They also include defining the "who", "what", "when", "where" and "how's" of execution of those priorities. Jointly evaluating the activities and results is also important. For example, "Was the latest project worth the effort?"

Organizations should also have Officers, typically voted in by members of the organization. These folks are given a higher level of responsibility compared to other Board Members. Much like board members, Officers usually serve terms.



## Common Officer Roles

Officer requirements, roles and their terms should be specifically defined in your organization's **bylaws**. The number of required officers varies depending on state law.

### Chair or President

leads the board and supervises all of the business and affairs of the board. This individual sets the tone for the rest of the board, presides at all meetings, prepares the agenda for the Board meetings, and is responsible for ensuring that the objectives of the organization are being achieved.

### Vice-Chair or Vice-President

assists the President and acts as substitute leadership when needed. On some boards, the Vice-President is expected to assume the role of President when leadership terms end.

### Secretary

records and archives the minutes, or record of discussion and votes, of each meeting. Additionally, the Secretary is responsible for keeping track of the organization's activities to make sure the actions of the organization are in accordance to the organization's bylaws. The Secretary is oftentimes the officer who keeps board members' contact information in order to inform them about upcoming meetings of the board.

### Treasurer

is responsible for overseeing the financial operations and providing financial information. They prepare the budget, keep accurate accounting records, provide reports, and arrange for any IRS reporting. This person is usually a signatory on all bank accounts, though he or she shouldn't be the only signatory. This is an important role because it keeps the other officers and board members informed about the financials.

## 2. Resist the Urge to Micromanage

Once your Board Members and Officers are in place, it's important to allow them to do their jobs without micromanaging. Thus, the importance of defining roles.

Some tips to stop micromanaging and start leading:

1. **Lose the need to control.** If you're clear on outcomes and flexible on how they are accomplished, everyone will have a more enjoyable time getting there. Be open to others making decisions about how objectives will be met.
2. **Set a clear timeline.** Not only are objectives important, setting a deadline for getting milestones and projects accomplished is key. If you're uncertain about how someone might perform, set the deadline early so you have time to course correct, if necessary.
3. **Provide feedback.** Set milestones and check-ins to make sure projects are on track and to offer help if needed.
4. **Hold interim meetings.** Reflect on how things have gone so far. Don't forget to praise people for their work, ideas, and input. Allow team members to provide feedback to you also. Take that feedback to heart and apply it when managing the team moving forward.

Leading, as opposed to micromanaging, will create a strong team, happy, productive volunteers, and boost morale. Big picture thinking, planning and interactions on your behalf will keep your team focused and help them soar.

## 3. Share the Workload

Creating an organization where a handful of people do everything will result in burnout, resentment, and unhappy volunteers. This could hinder your efforts and prevent you from achieving your mission. To help prevent this, the workload needs to be shared amongst as many people as possible.

Utilize volunteers to help with tasks at hand. Folks are often eager to help and can offer new perspectives and fresh energy. Assigning tasks to them will make them feel like they're a valuable part of the team.

Divvying up the work will eliminate stress from your life, improve your events and projects and help you gain skills to develop as a leader.

Some ways to avoid burnout:

1. **Remember, lead, as oppose to micro-manage.** See item #2 in this guide.
2. **Focus on your mission.** What's most important? What's your purpose? Only do things in alignment with that.
3. **Recruit and retain solid Board.** The fewer Board Members & Volunteers you have, the fewer activities/events you might consider doing.
4. **Simplify and document your processes.** Not only does this ensure anyone can help, it makes for an easier transition to new leadership down the road.
5. **Utilize technology.** From calendars to accounting software, there are tools to help you get jobs done effectively.

#### 4. Diversify Fundraising & Promotional Efforts

Diversifying your fundraising efforts helps create stability and keeps you from being overly dependent on any one fundraising effort or tool. As we've recently experienced with COVID-19, if things change unexpectedly, the results can be dangerous and put your group in jeopardy.

When you have several fundraising strategies & events working for you, you can lose one and it's doesn't spell doom. You might have to tighten the belt, but it won't be fatal.

So, don't put all your eggs in one basket.

A good diversified fundraising stream means having a mix of events, activities and giving strategies. It also means holding events at different times of the year and including both online and offline strategies.

Landing on the right combination of revenue streams may take some trial and error, but again, if one doesn't pan out like you expected, it's not the end of the world.

## 📌 Tip: Revenue Streams

It's a good idea to look at revenue in terms of streams. Calculate each stream's percentage of your overall revenue to determine if you're heavily dependent upon any one source. That way you can proactively change your course of action so as not to have too much risk allocated to one activity.

### 5. Keep the Mission Front and Center

Most organizations have a Mission Statement that is used to guide the organization in a successful direction. It defines their purpose for existing.

Offering mission-central programs is important so you don't deviate from your core purpose. Which is easy to do when multiple requests come in that might feel very compelling to support, but have little to do with your purpose. Looking at those requests within the framework of your purpose will help you determine which ones to fund and which ones are simply not fit for your particular organization.

The "why" of your organization is also what attracts Board Members, Volunteers and Donors to give and assist. Make sure your programming is in alignment with your core purpose as misalignment costs organizations by "turning off" potential Donors & Volunteers.

What might this look like in "real life"?

Let's say you are on the board of a parent group and you've raised \$5,000 via fundraising efforts. When you look at ways to spend the money, you want to make sure it's student focused. After all, that's what your mission is. Ideally, you also want to ensure that it impacts as many students as possible. For instance, you might decide to spend that money on technology for classrooms or student planners. You likely want to stay away from spending all of that money on student scholarships that only benefit a few kids, for example, or on programs that have little to do with the school itself.

## 6. Focus on the Finances

Just like a business, Nonprofit Organizations must maintain a steady cash flow and keep their expenses in check in order to function. Donors, Volunteers and Members like to be involved in steady, stable organizations. One of the ways to model this is by being financially responsible and transparent.



Communicating that financial stability requires that the organization's leaders forecast and develop an accurate, realistic budget, understand the true costs of programs and activities that they'll offer, and provide regular financial reports.

The entire Board is responsible for the financial health of your organization. Not just the Treasurer. The whole team should work with the Treasurer to make sure the association is in good financial health, in good standing with the IRS and other government authorities, that its assets are protected, and that its resources are used appropriately.

Monthly reconciliations, mini-audits (or financial reviews), and the incorporation of best practices (like the bank statement being sent to the President, not the Treasurer) will help your organization function at its best. And assure Donors, Members & Volunteers that they're connected to a healthy, thriving organization that they can be proud of.

## 7. Be Able to Measure and Share Results

Showing Donors, Volunteers and Members measurable results is a great way to gain support in your organization. After all, don't you want to see proof that your resources & efforts are successfully achieving a common goal?

Here are a few ways to share your results:

**Celebrate your milestones & goals on social media.** Broadcasting how a particular fundraising is doing might inspire others to get on board to push it to the finish. When you achieve a milestone or conclude a fundraiser, let folks know how you did. And more importantly, what you'll be able to do with the money raised.

**Provide regular reports at meetings.** This is a good way to make sure you're on track and to help keep momentum going. In our fast paced world, we sometimes lose track of activities that we're championing, or we lose energy behind them. Regular reports, check-ins and a reminder of the "why" behind what we're doing go a long way toward successful completion.

**Share a visual update.** Some people retain information better when it's visual. Charts, graphs and images go a long way toward showing potential donors where they're money is being utilized and the impact they are making in their community.

## 8. Minimize Your Risk

Risk is inherent in all organizations, which makes minimizing it prudent. Conducting annual reviews & analyses will help reduce your exposure. Establishing best practices, controls and procedures will also go a long way toward decreasing potential risk.



Consider performing a SWOT and/or PEST analysis for your organization on a regular basis so you can better anticipate things that might negatively impact you. Likewise, things that you could leverage for better results.

Be sure your organization has insurance. If your nonprofit is sued and lacks proper insurance, your personal assets could be exposed to risk. Lawsuits could be brought by donors, vendors, competitors or others.

Check out our free guide, *The Treasurer's Compass*, to learn how to apply best practices to your organization.

## 9. Invest in the Long Game

In our ship example, if a leader is only focused on the short-term goal of keeping the ship afloat, she may never make it to shore. For Nonprofits, leaders need to think of the long-term strategy to move the organization in the right direction.

If your group is constantly jumping from one fundraising event to the next, without ever taking a step back to ask the hard questions, you may be lacking long-term-focused leadership. Nonprofit leadership and board members should outline a strategic planning process with measurable goals, all aligned to the organization's mission.

## 10. Get People Excited

According to Independent Sector, the estimated value of volunteer time for 2020 is \$27.20/hour. If you had to pay for that work, you would likely not be able to achieve your mission.

Most nonprofits rely on volunteers, who help to not only achieve goals, but expand the group's abilities. They perform vital work, are great ambassadors, donate all sorts of resources (both financial and non-financial), and save you money. Motivating, recognizing and appreciating are a win-win.

Motivating Volunteers, Members and Officers is a tricky part of any organization. It needs to be genuine. And it needs to fit the volunteer. Consider making a cultural shift in your organization to support these goals.



## Volunteer Appreciation

Here are some suggestions for showing appreciation to your volunteers:

- Recognize volunteers in a public way (if they like that sort of thing)
- Give more responsibility to volunteers who like to influence others and like to feel as though they're an essential part of the team
- Provide learning opportunities to folks who have a passion for learning
- Ask for feedback from volunteers who like to share insights & opinions
- Send a personal thank you letter
- Do something sweet for a volunteer & their family (chocolates, donuts, coffee, gift cards, tickets, etc.)
- Post social media announcements thanking individuals for their contribution
- Host a volunteer appreciation event

### 11. Extend Your Nonprofit's Reach

One of the most important roles you have as your group's fearless leader is getting the word out. It starts with making people aware of your existence. Then, to make that awareness *stick*, you have to share your vision in a way that hits home.

Having your standard publicity strategy organized is a starting point. Make sure your on-the-ground team and your social media teams are working together (if they aren't the same person). If you are still realizing a positive ROI out of traditional media efforts, ensure you are meeting deadlines.

But good leadership goes beyond what you look like on paper or the web. When you are passionate about the organization's goals, it comes through to everyone you meet. It isn't just about asking for money. It's about building a relationship with

people who trust you and feel your passion. Money, recruitment and more volunteers will come much easier when this is the case.

A good leader also knows how to portray this genuine passion in public speaking engagements. Whether it's a group of 3 or 3,000, the need to clearly articulate your need and motivate involvement is one of the most valuable skills a nonprofit leader can have.

## 12. Have a Plan to Increase Member Diversity

This year, we have seen organizations increasingly take a public stand against racism and inequality. Beyond taking this stand because you know it's morally right, a good leader understands the added value diversity brings to an organization.

An article in [Scientific American](#) cited a study that showed "female representation in top management leads to an increase" in firm value. It also found that "increases in racial diversity were clearly related to enhanced financial performance."

Good leaders don't just make a statement to smooth over PR issues. They take action. Start with your trusted confidants to better comprehend where your organization stands and the underlying biases that may be present. Be proactive to make diversity a part of your mission, recruitment and succession strategies.

## Conclusion

Without leaders like you, the world's charities and nonprofit organizations large and small would all but cease to exist. Without *great* leaders like you, these organizations would simply float about, never reaching their full potential.

Take these suggestions first internally and ask yourself if you are doing all you can do be the best leader you can be. Next, ask your trusted confidants, perhaps some Board Members or Officers, and make changes accordingly. Once you feel you are doing all you can, take it to your constituents and volunteers for additional concerns. After all...

*“Your assumptions are your windows on the world.  
Scrub them off every once in a while, or the light  
won’t come in.” – Isaac Asimov*

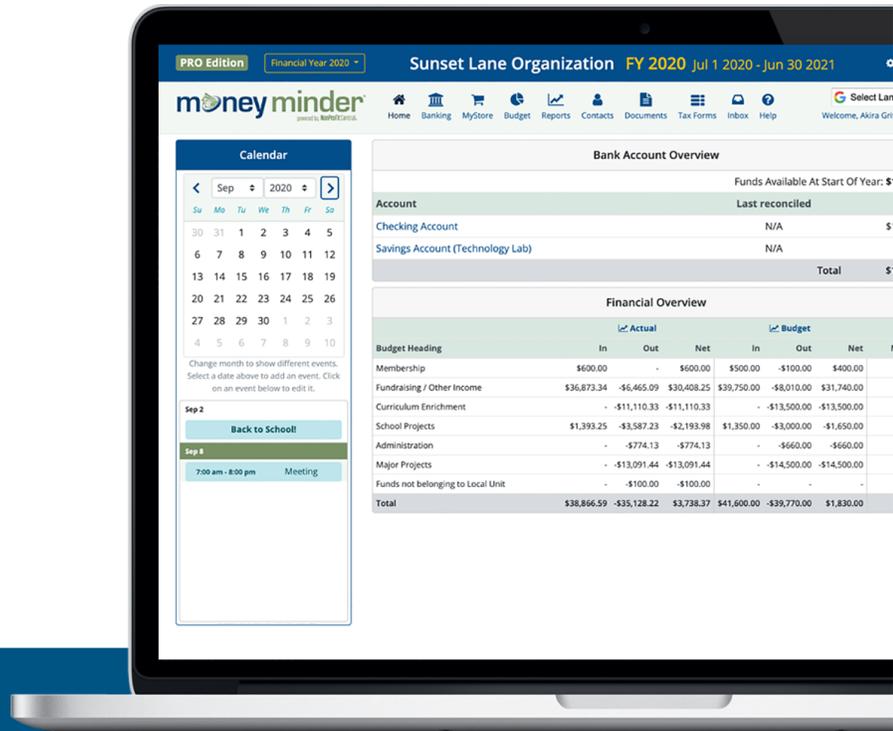
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