

**The 21st Century Renaissance Youth  
Leaders Invitation Program 2006  
NPO Management Course Members**

**October 15<sup>th</sup>, 2006**

**HANDBOOK**  
**For Non Profit Organizational Management**  
(Draft)

**Tokyo, Japan**

## LIST OF ABBREVIATIONS

AA	Alumni Association
NPO	Non-Profit Organization
SSEAYP	Ship for Southeast Asian Youth Program
SI	SSEAYP International
SWY	Ship for World Youth
SWYAA	SWY Alumni Association

## ABOUT THE ICONS



Next to this icon, you will find additional information about a particular subject.



Next to this icon, you will find a particular case study from one of your course members from around the globe.

# NPO MANAGEMENT HANDBOOK

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## 1. Introduction

Civil Society plays an important role in the development and progress of a nation. It helps fill the cracks and gaps left by the ruling government due to competing and conflicting priorities. Non governmental organization (NGO) including non-profit organization (NPO) are part of the civil society.

This handbook helps to serve a practical guide in the management of a NPO so as to enable the NPO to be more effective and efficient in discharging its duties and responsibilities for which it was establish or represents.

## 2. Non-Profit Organization (NPO)

### **Definition of NPO**

In this handbook, we will follow the International Classification of a Non-Profit Organization (ICNPO) proposed by Salamon and Anheier in 1990 [1]. According to their definition, an NPO has 5 key elements:

1. Organized: Institutionalized and managed to some extent
2. Private: Separate from government authority
3. Self-Governing: Has internal procedures for governance
4. Non-Profit distributing: Profits can be generated via projects, but those profits have to be reinvested in the NPO's projects; they cannot be redistributed amongst the members
5. Voluntary: Members must join voluntarily and free of coercion

### **Role of NPO**

NPOs are created to fill a void in society. They are highly specialized by subject, and they include public schools, public charities, public clinics and hospitals, political organizations, legal aid societies, volunteer services organizations, labor unions, professional associations, research institutes and museums. For example, some well known NPOs are Amnesty International, World Wildlife Foundation and Doctors without Borders – Médecins sans Frontières. They all share the following general objectives:

- Solving social problems

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- Provide a solution to some insufficiency in society
- Social change pioneering
- Provide an outlet for its members' aspirations to altruism and self-realization

## Why do people join NPOs

Members have a number of reasons to join an NPO. Some of them are:

- Altruism
- Realizing ideals
- Exploring one's own potential
- Self development including technology acquisition
- Recreation
- Promoting societal participation
- Identification with main objectives



### “A rose by any other name...”

The term NPO refers to the general idea of an organization whose aim is to support a cause or issue of public concern or private interest whose goals are non-commercial. In different countries or contexts, other concepts that fall into this realm include: Non-Governmental Organization (“NGO”); Community-Based Organization (“CBO”); Faith-Based Organization (“FBO”); Private Voluntary Organization (“PVO”) and Voluntary Welfare Organization (“VWO”). Each country has its own set of laws and regulations that govern these organizations.

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## 3. Purpose of an Alumni Association (as an NPO)

The Ship for Southeast Asian Youth Program (“SSEAYP”) and the Ship for World Youth (“SWY”) function as Alumni Associations under the 5 key elements of the definition of an NPO.

SSEAYP International (“SI”) – consists of the members of International Youth Exchange Organization of Japan (“IYEO”) and AA of participating countries.

The primary purpose of SI is as follows:

1. Create the opportunity for the reunion of former participants to realize our desire to promote lasting friendship, understanding and good will.

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2. Help in the development of the activities of all the Alumni Associations through the exchange of information on a regular basis.
3. Contribute to society by planning and managing joint projects that responds to social needs.
4. Engage in activities that will generate funds to enable the achievement of the purpose stated in this article.
5. Invite, select and accept applications for membership from and foster harmonious relationships with other organizations.

Ship for World Youth Alumni Association (“SWYAA”) – consists with the members of IYEO and AA of participating countries.

The SWYAA promotes and supports the spirit of leadership towards achieving cultural understanding, international cooperation and world peace developed during the SWY program sponsored by the Cabinet Office of the Government of Japan.

\*IYEO consists with the participants of SSEAYP, SWY, International Youth Development Exchange Program (INDEX), Japan-China/Korea Youth Friendship Exchange Programs and Young Core Leaders of Civil Society Groups Development program.

An ideal Alumni Association:

- Has a Clear Mission
- Identified Target Audience
- Good communication between members and key stakeholders.

An ideal Alumni Association is one that is involved in social activities as sports, welfare, arts, advocacy/lobbying. This ideal could be reached using the following options/tools:

- Creation of logo, slogan
- Networks, including updated contact and mailing list
- Website
- Reports of activities
- Newsletters or regular information
- Annual meeting

## 4. Establishing an Organisational Direction

The NPO must have a clear sense of purpose on what it sets out to do and how this can be

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achieved. The Mission, Vision and Goals statements are tools which will help the NPO to achieve its goals and objectives.

## a. Mission, Vision and Goals

The Mission Statement reflects what the NPO is doing. (It is an action statement of the present)

The Vision Statement reflects the aspiration of the organization for the future (It is a statement of intent)

Goals are a set of activities which serves as a milestone to help the organization to achieve its mission and visions. Goals should be measurable.



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### Getting your mission and vision right

Mission - We were concerned about that rainforests are disappearing quickly which destroys our environment. Our rainforests are the lungs of the earth and we need to take care of them.

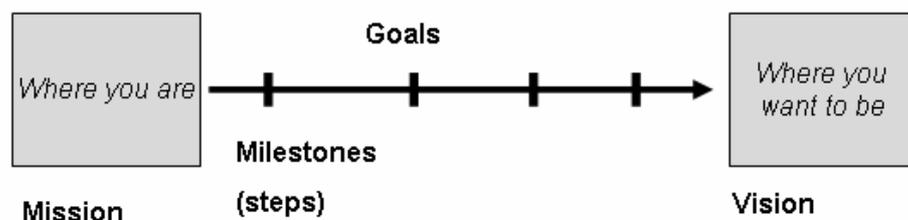
Vision - We would like to ensure that our great grandchildren also could enjoy the rainforest, which also are important for the entire globe and our air quality.

Goals - We started with creating awareness campaigns, programs to replanting at least one tree for each one that fell. We also encouraged children at school to recycle papers, so as to reduce the number of trees fell to generate the demand for paper.

Milestones – Time frame to accomplish the various goals.

Performance Indicator (PI). Some examples of performance indicators are number of awareness campaigns conducted, how many people attended, how many new trees were planted vis-avis trees fell during a given period.

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## b. Questions to find your mission and vision

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Complete this sheet with your key stakeholders (people who are influenced or influence your AA/NPO). Focus groups, phone calls, surveys, email questionnaire. By looking at your capacities, needs and mission/purpose, you will obtain 'the fit' which you should strive for when running your organisation.

1. Who are we?
2. In general what are the basic social or political needs/problems we exist to meet?
3. In general what do we do to recognize, anticipate, and respond to these needs or problems?
4. How should we respond to our key stakeholders?
5. What are our Organisational philosophies, values, and culture?
6. What makes us distinctive or unique?



## c. Strategic Planning

Strategic planning helps to identify the strategic directions for an organization in the next few years to realize its missions and visions. Strategic directions or plans do not cover the routine or repetitive activities. [3]

There is a variety of perspectives, models and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture or the organization, complexity of the organization's environment,

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size of organization, expertise of planners, etc. There is a variety of strategic planning models, such as

- Goals-based planning starts with focus on the organizations mission (and vision and/or values), goals to work toward the mission, strategies to achieve the goals, and action planning (who will do what and by when).
- Issues-based strategic planning often starts by examining issues facing the organization, strategies to work on those issues, and action plans.

Development of the strategic plan greatly helps to clarify the organization's plans and ensure that key leaders are all "on the same script." Far more important than the strategic plan document, is the strategic planning process itself.

## *Why do we need strategic planning?*

1. Clarify and define the purpose of the organization and to establish realistic goals and objectives in line with that mission in a defined time frame which is possible for the organization to manage.
2. Communicate those goals and objectives to the organizations members.
3. Develop a sense of ownership of the plan, which increases the passion and motivation for the activity.
4. Ensure the most effective use is made of the organizations resources by focusing the resources on the key priorities.
5. Establish a starting point from which progress and milestones can be measured for follow-up.
6. By working together the group will share the same goals, create commitment and form a better team spirit.

## *How to create a Strategic Plan*

- Individually
- As a group
- In partnership with other NPOs or the wider community

## *Five important questions to ask when developing a strategic plan:*

1. What is our mission?
2. Who is our customer (target group)?
  - Those who must be satisfied to achieve results, there are two types; primary

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and supporting.

3. What does the customer want?

- Their needs, wants and desired long term results

What are our results/outcomes?

- Defined by peoples changed lives (i.e. behaviour, circumstances, health, hopes, competence, and capacity. This should be linked to performance indicators to show outcomes)

4. What are our results?

What outcomes do you intend to achieve from your plan?

5. What is our plan?

Define the particular place you want to be and how you intend to get there. A strategic plan must be SMART (specific, measurable, achievable, realistic and have timeframes). It needs to include: Your Mission, Vision, goals, objectives, actions, steps/milestones, a budget, and an evaluation component against the defined timeframes.

## 5. Management Areas

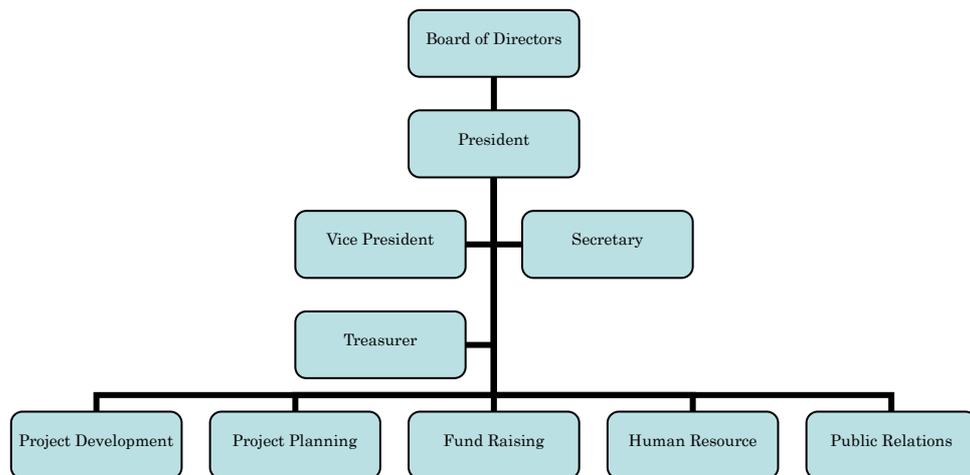
### a. Organisational Structure

The Organisational structure is the relationship among individuals, in an organization, which interact with each other to meet the relevant goals and the activities. The heart of an Organisational structure is its roles and responsibilities and accountabilities.

Roles and responsibilities refer to what a person or group does, and accountability involves the relationships that a group needs to hold in order to perform their job.

An NPO should have various committees in place to overseas the different areas of operation to ensure the smooth running of the NPO. A sample of an organization structure is as follows:

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## b. Human Resource Development

Human Resource (HR) management for non-profit organizations is unique, as the people getting involved will have different motivations than those joining political or business-oriented groups. Keep this in mind when trying to apply HR strategies used elsewhere to your NPO!

### **Evaluate Your HR Needs**

Think about what kinds of human resources your NPO needs. Broadly speaking, NPOs generally require people to fill two categories of “labor” that can then be subdivided into more specific components:

- 1) First, a Board of Directors, or executive team responsible for the direction of the NPO.
- 2) Second, a strong membership base that provides the NPO with human resources including man-power (and woman-power!), skills and passion to fulfill the mission of the NPO.

You should also consider outside stakeholders who could provide fresh ideas and different perspectives for the organization and sector and be able to contribute to your mission.

What jobs need to be carried out in your NPO? Are roles and responsibilities clearly defined and assigned to individuals, working groups, and/or committees? Identify what you need in terms of skills, time commitment/availability, and interests.

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For example, consider the following roles, and create specific “job descriptions” to fit the requirements of your NPO.

- A. **Leadership:** As mentioned above, effective leadership can take many forms (e.g., a single founding leader in the case of a foundation, an elected executive board, or an outside governing body providing guidance to staff, etc.). The important thing here is that the leader(s) can provide motivation and direct the organization and its members towards long-term fulfillment of the organization’s collective goals.
- B. **Membership:** Members are those who will help shape your NPO’s vision and who will work on the ground to implement plans designed to fulfill the NPO’s mission. How many people belong to your organization, and what skill set and availability do they offer your NPO? Think about the nature of the tasks your NPO will call upon its members to carry out – is your current membership base adequate to cover these needs, both now and in the future?
- C. **Outside Stakeholders:** Does your NPO have any needs for which you need additional human resources? Do you have contacts outside your organization that can be called upon for assistance? Building partnerships can be an effective strategy to build your NPO’s capacity, as well as to offer your expertise to other worthwhile individuals and organizations in your community.

### **Recruitment and Capacity Building**

After going through the above section, you should have a good idea of what kinds of people and skills you need to fill particular roles or vacancies you’ve identified. Now, it’s time to think about how you can attract them to participate in your NPO!



#### **Qualified volunteers**

“We would like to engage active persons that are qualified and have specific skills for future HR of the AA. Our plans have been to publicize about SSEAYP to our target community (students and young persons) by conducting “roadshows” with presentation in schools and universities. We also co-operate with local radio stations to conduct talk shows about SSEAYP and AA.” – Yenita Mulia, Indonesia, SSEAYP1998

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#### **Alumni Associations Are Special!**

Recruitment for Alumni Associations (AAs) is different than for other NPOs. The

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participants in the original activity (e.g., INDEX, SSEAYP, SWY, university studies, or other organizations whose “graduates” are considered alumni) sometimes join without any intention to remain involved afterwards, even though their respective AA (about which they may know nothing beforehand!) relies on them to bring “fresh blood” to the NPO. Therefore, recruiting active members poses particular challenges, in that invitations to join can be completely beyond the control of current AA members. In some cases, AAs may also have limited influence in selecting from the applicant pool even when their country is invited to send a delegation; for this reason, it is in the interest of alumni to take steps towards playing a significant role in the selection process. In addition, applicants who are directly asked about their desire to be active in the AA may exaggerate their enthusiasm so as to improve their chances of participating in the relevant (international) program. If possible, it may be helpful to get participants to commit to a certain degree of post-program activity prior to their selection, such as the case in Singapore

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### **Commitment from the very start**

“When we were selected as participants for the SSEAYP program we were informed that we had to be involved in implementing projects for our AA. In the next 2 years, we were assigned to organise the Homestay program for SSEAYP 2003 and to organise the on-board ship reunion for alumni members in 2004. This agreement with new participants has helped ease the load for our AA by providing a team of committed members to organise the activities for the AA.”- Joy Lim, Singapore, SSEAYP 2002

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Remember to keep members/volunteers’ motivations for getting involved at the forefront of your thinking, rather than focusing only on your organization’s needs.

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### **Motives for Participating in an NPO (Discussion during the NPO Management Course, REN Program 2006)**

1. Exploring one’s own potential
  2. Altruism
  3. Realising ideals
  4. Self-development and technology acquisition
  5. Recreation
  6. Adaptation to society /Social Participation
  7. Identifying with the theme or target objects
-

## **Incubating Skills, Adding Value**

If your organisation needs people to carry out tasks for which your members do not currently have the required abilities, consider providing them with the appropriate training. Building your members' capabilities in this way will give them personal incentive to remain involved in your NPO by providing them with a tangible, transferable skill set, as well as reducing your organisation's reliance on outside assistance. Don't forget that today's general members are the leaders of tomorrow, whose capacity needs to be increased so that they can take on new and challenging roles as time goes on.

## **Organisational Leadership**

The leadership of an NPO regardless of whether they are elected democratically by members for a set term, appointed by a board of directors or have taken on their roles through other means, it is especially important to have in place a mechanism by which to select appropriate individuals to assume leadership roles in your organization and to ensure that the leadership remains in tune with the NPO's mission and vision.

This includes effective succession planning where the current leader(s) should plan and be prepared to relinquish their positions when they have served a reasonable period and their value-add to the organization started to wane



## **Flexible positions for your Board members**

“As a board member at an NPO in Mexico, it became an obstacle for the board when the NPO's founding members blocked the board to move the institution into a new stage where could share a more encompassing vision toward the challenges was demanding at the moment. This lack of flexibility inspired most of the board leave the institution and create a new NPO in which leaders were democratically elected for a specific term by the members of the NPO. This continued change in management, supported by both the team and the constitution, allowed for dynamic solutions with regard to motivation, conflict resolution, recruitment, new relationships with other organizations, etc.” - Herman Morfin, Mexico, SWY11

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In addition to managing the day-to-day functioning of the NPO, leaders' other roles should never be overlooked.



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## **The Role of A Leader (Discussion during the NPO Management Course, REN Program 2006)**

1. To have self-awareness and a strong sense of responsibility
  2. To always be positive
  3. To build a good relationship in trust
  4. To foster a good environment
  5. To have a skill of Human Resource Development
  6. To build equal relationships, and keep a neutral position
  7. To express gratitude
  8. To have 3 points of view: general, essence, foresight
  9. To improve oneself
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## **Keeping Up The Good Work**

Once an NPO has a strong membership base, including effective leaders, its emphasis on human resources is not complete; in fact, constant maintenance is required to retain the active commitment and motivation of an NPO's members! NPO leaders are responsible for keeping up positive relationships including work towards furthering the organization's objectives. Social networking with members (and others) is often an essential part of achieving these aims.

Ask yourself relevant questions, including:

1. How involved are your members with the mission of your organization? Is the NPO's stated vision in line with the goals of its membership? Do members feel empowered to affect the direction of the NPO?
2. Does your NPO maintain an up-to-date database of members and key stakeholders' contact information, sending out regular communications informing them of important decisions, recent activities, and upcoming opportunities for them to renew their involvement? Do you have an up-to-date web site and/or newsletter?
3. What level of contribution can your members offer? Does your NPO make effective use of these offerings?
4. Does your NPO provide learning opportunities and other events to maintain

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members' interest?

5. How do you show appreciation to the people working for your organization and those volunteering their time and skills? How do you decide whether to hire paid staff, and how do you determine their salaries and benefits? Is this process transparent to all members and stakeholders?
6. How do you resolve conflicts within your organisation? How have developed the conflict resolution skills of your leaders and members?
7. How often do you meet physically with all your members? If it is difficult or impossible to do so, what other methods do you employ to keep your members identified with and committed to your NPO?



### **Communicating with your members across geographical distances**

“It’s virtually impossible to get all our AA members together due to the size of our country. We therefore rely a lot on electronic communications to keep in touch with one another. We also have local meetings and invite visiting ex-PYs from other towns, cities and even countries to join in whenever possible. In this way, our members can stay connected despite the vast geographical distances that separate us. In addition, our use of regional committees to recruit and short-list new SWY applicants ensures that young people from every province and territory have the chance to be represented in each Canadian delegation.” - Cara Goldberg, Canada, SWY18

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### **Motivation and decreasing membership**

“Our organization has seen a decrease of members and lack of motivation. Our solution to revitalize the motivation has been to conduct family gatherings with involve all members and their families. In Indonesia, we can also conduct such events in special occasions, such as Muslim feast days (Eid el Fithri or breaking the fast during Ramadan), or in any agreed time when needed. We usually do not spend a lot of money for this event because we also invite all members to bring foods, beverages or snack, which brings active participation.” - Yenita Mulia, Indonesia, SSEAYP1998

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### **Include all of your members**

Our AA consists of few people, but some people didn’t feel included in our organization. We are very conscious on dividing tasks and sharing the fun. Our AA has been invited on a few post-program activities to Japan and we have consciously

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tried to rotate between members. The Executive Board consists of members from different backgrounds and batches, and we are always paying attention to ensure gender balance. When we formally started our AA, many people wanted to become active members. We have divided specific tasks in teams (fundraising, information activities, website responsibility, planning of activities, etc.). When we try to meet up, all of us report on progress made, and we also have extensive contacts through our email lists. It is important that all members know what is happening. Through conscious efforts of inclusion, giving everyone different responsibilities, the Swedish AA managed to go from an informal group to a more organized and legally formed organization with active members. - Charlotte Rössner, Sweden, SWY10

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### **Balance as the key to success**

“All work and no play...” may be a cliché, but striking a balance between these elements maybe the most important issue in ensuring the sustainability of your NPO. People often stop working and volunteering in high stress sectors because they suffer from a condition commonly known as burn-out. No matter how worthwhile your activities or mission, your HR management strategy must take into account that your members (including leaders!) do – and should – have other priorities, too. How well they are able to juggle family, work, exercise, hobbies, spirituality, community involvement, etc. will determine not only their happiness as individuals but also how much they can contribute to the NPO in the months and years to come. Demanding more than your fair share of employees’ and volunteers’ time and energy will inevitably make them frustrated and tired. If this continues for too long, burn-out may occur and they may eventually quit their involvement in your Organisation. On the other hand, if your NPO and its directors lead by example and encourage lifestyles that incorporate all the aforementioned elements, you will foster an organisational environment that supports long-term health and harmony across the board – from the NPO as a whole to each individual member. This can include incorporating volunteer appreciation events and celebrations of jobs well done. Of course, for this to occur you must plan in advance and allocate sufficient resources to the activities related to human resource development and maintenance.

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## c. Funding

Getting funding is a vital part of any NPO, as it will allow you to perform social contribution activities. Creating a funding plan is also a good opportunity to review your organization's mission, goals and needs. A SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) will help you evaluate the condition of your organization, as well as find important elements to include in your funding plan.

There are many different ways to maintain a viable, financially stable nonprofit organization. It is important to develop funding from a mix of individual and institutional sources, as well as earned income generated from special events, products, services and membership fees.

There are a number of places that could represent a funding opportunity. For example:

Government	International organizations	Grants
Philanthropic donations	Companies	Activities
Fundraising events	Membership fees	

NPOs are normally eager to welcome donations from any available donor, but that doesn't mean you should rely a "one-size-fits-all" kind of media campaign. Make each donation campaign unique, devising a targeted message for a specific kind of audience. Find out whom your potential donors could be (individuals; people who work at a company with a purpose compatible to your project's goal and participate in the decisions about how the money is distributed) and make sure to think of the following:

- What do I need to get from them?
- What would they want to get from me? What do I have that could be useful to them?
- How is the relationship going to be perceived by stakeholders and the community at large?

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## Corporate Sponsorship

Some companies could be more than happy to put their logo on your organization's work because that money can be reported as "social expense" or "community outreach", enhancing their image as a company that cares about a particular cause (the environment, children in the streets, car safety) and could in some cases help them reduce their taxes. However, these organizations' means might not be compatible with what your NPO is doing. If an environmental NPO gets funding from an energy company, the company could say that they're helping "save the planet", even if they're polluting it in some other region of the world. Before starting a campaign (or even as an integral part of developing your NPO's vision statement), you should write a list of donor you **wouldn't** accept a donation from.

Before seeking for funding, it is important that you are clear on what your project is for, and what you would like to achieve. Defining your main target group and your users will also define where you can obtain funding or sponsorship. For instance, social sports activities are more likely to be sponsored by athletics stores than activities focused on handcrafts.

Once you have defined your activity and made a complete budget you can decide what kind of campaign you would need. Funding does not necessarily mean support in cash but could also be in kind, such as providing use of rooms and venue for free, offering a lunch, donating prizes to a lottery etc.

## Funding Ideas

Ideas to seek funding from various sources include:

- Writing letters to companies. Particularly useful for small campaigns and projects, and if you need sponsors in kind (presents to other international students during an exchange program).
- Capital campaigns are used for long term, high-cost projects such as the acquisition of new.
- Equipment or the construction of new facilities. These campaigns should be separated from your other fundraising activities. This is an excellent opportunity for you to market your organization, and to raise general awareness of your organizations' goals and needs.

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- Commercial ventures are opportunities for your organization to join a corporation and to take part of their profits. For instance, every book sold in a store could contribute to your project campaign with a small amount of money.
- Sometimes for specific activities it is worthwhile to hold special events, focusing exclusively for fundraising activities at larger scale to attract the general public, both individuals and companies. This raise general awareness of your organization or attract donations in case of “emergency use”, for instance during disaster relief.

According to The Funding Site [2], if you are organizing an event or fundraiser you should pay attention to the following:

- What is the aim of the event?
- What is the theme and nature of the event?
- Who are the targeted supporters of the event?
- Is the event attractive, fun and innovative enough to draw these people?
- How many tickets must be sold to achieve your fundraising goal?
- Does the ticket price offer value to your targeted supporters?
- How will you market the event?
- Who will sell the tickets?
- How will the funds be collected?
- What facilities are required • E.g. venue, hiring, audio visual & staging equipment etc.?
- What services are required • E.g. catering, decor & styling, entertainment, transport, technicians, labour etc.?
- Do you have the CAPACITY and expertise to ensure that the event delivers value to your targeted supporters?
- Is this event viable?

Once you have managed to establish a funding relationship with another party, and since donors are so important to the labor of NPOs, you should make an effort to maintain and nurture these relationships. Some recommendations on how to do so are:

- i. Keep communicating with the donor. Interact with them and you’ll always know what’s important to them. The time and effort you invest in cultivating a few long-term and reliable relationships will pay off, and will yield much better

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results than just trying to reach “as much people as you can.” Of course diversification is vital, but you should also show your appreciation to those who help you.

- ii. Give your donor feedback on what you did with their donation. This way, they can report back on what their donation was used for, and this will help deepen the relationship.
- iii. Write thank you notes after every donation (within 48 hours of receiving the donation).
- iv. Send your donors the newspaper (or any information channel of communication) of your organization. They will be informed on what is happening at your organization, and they'll provide you with questions and feedback.

You can enter a mutual agreement on funding from sponsor and donors through different kinds of relationships.

- Support (financial or in kind). You are the receiver and you would need to report back on the outcomes, the financial and contents of your project. You are the sole owner of the project and you're in charge of its successful execution.
- Collaboration. You and your funding partner are collaborating in different aspects of the project. It is a win-win situation for both parties. A project can also be run in collaboration with other NPOs to ensure the maximum outcome through cross-fertilization. This allows for further expansion of project ideas and has an outreaching approach, and thus has a potential of multiplying effects.
- Partnership. You are on equal footing with your donors, and they are running the project together with you. You might not control the project on your own, but could use the partnership to enhance your and your sponsors' image in the local community.



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### **Biased donations**

An alumni association is organizing a photo exhibit about pollution and environmental education, and they ask for a donation from a well known publishing company. However, this company also publishes books that have a bias on their opinion about global warming. The company donated US\$1000 and the exhibit was carried out, but public opinion perceived the event as being biased, which ended up damaging the image of the AA. - Taichi Uemura. Japan. INDEX 05 Hungary.

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### **Being creative when you look for sponsors**

12 students wanting to raise funds for children with leukemia contacted a telecomm company who sponsored them with free phone services. With their help, they put together a campaign that was reinforced with billboard ads donated by a media company. The telecomm company would send SMS messages to its customers, asking them to write a message to a certain number to donate a small amount of money, approximately US\$6.5. Within a month, the group have raised over US\$7 million, which were ultimately used to help build a children's hospital.

- Ibrahim Al Hmoudi, UAE, SWY18

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### **d. Public Relations**

Public relations tools are vital in building the profile of your organization in the greater population for different purposes: attracting volunteers/members, funding via sponsorship or a greater lobbying capability.

Internal and external communications with stakeholders are vital in gaining and keeping support for your organization. Stakeholders are people or groups who are affected by your organization and its outputs, or those who have influence or power over it, or an interest in its success or failure.

### **Internal Communications**

The most important aim of internal PR is to have the members of the team focused on accomplishing same goals and objectives and overcome the main challenges. They should share regular updates on the progress and accomplishment of the objectives and particular needs at the time.

Internal communications should also provide an opportunity for feedback from members that can be used to identify training needs, assess team moral, plan future direction of the body. Feedback should be directed to the appropriate person or department in your association for actions.

Resources available for internal communications: periodical newsletters, regular meetings, social / recognition meetings, regular updates on the database.

# NPO MANAGEMENT HANDBOOK

## External Communications

### Media

NPOs should identify one spokes person to ensure there is one clear message given to the media by the NPO during meetings or interviews.

#### Preparing for engagement with the media

1. Be as brief as possible ensure you include all important information, isolate two or three key messages strongly and clearly convey these in the release.
2. Any press release should aim to draw an audience to a focal point where they can learn more about your organization or participate in it, e.g. website, event.
3. Include pictures but keep them separate from your release.
4. Use quotes when possible. If you can quote a prominent community leader making positive remarks about your center, then you can show support for your work.
5. Publications may copy directly from your press release to create an article. Make sure the press release puts your best foot forward just like, if you had the chance to actually draft the message in the respective media.

Building personal relations with the media as can help increase the likelihood your release will be picked up.

Build a possible Question and Answer document with the most probable questions that may be asked in a particular meeting/interview with the Media. It should include the current situation of the NPO and any other issues that may provide impact in the interview.

- Take into consideration that all media materials represent the NPO so they should have a clear identifying image for the respective organizations (logos, slogans, etc)
- Have a clear idea of the main messages you want to discuss in your media intervention/interview. Stay focus.
- Create a website and have it updated with the most recent press releases, NPO Organisational structure, mission, vision, goals/objectives to be accomplished throughout the year, images, important accomplishments, main sponsors, etc.

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## Government

Resources available to build a relationship with government departments are: meetings, regular updates, registration with local bodies, through networking, by sending your annual report or any other publications produced to appropriate government departments.

It is also recommended to have good relations with a strong PR strategy with:

- other government agencies
- other similar NPOs
- Universities / university bodies.

Strategic partnerships / networking with other NPOs in different parts of the country and/or different AAs in other countries.

## Sponsor and Corporations

Relations with sponsors and corporations may be built using the following resources:

- Regular updates / e-mail / snail mail, face to face meetings or phone calls to an established contact person in the supporting organization
- Extend an invitation to any events you may have or to your Annual General Meeting, send annual report and other relevant materials
- Report to them on the progress of any projects or areas they have particular interest in / share outcomes and any future directions/projects to try get them to make a future commitment to your organization.

## Society in General/ Potential Members

The best communication support with the general public and potential members is through hosting events or creating interaction with media.

- Open invitation to regular events.
- “word of mouth.”

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## e. Administration

### **Board members**

The Board of the NPO is mainly responsible for supervising the Organisational and managerial performance, whilst ensuring appropriate leadership of the NPO's financial resources, and corresponding competing demands on the NPO. It is also important to have a designated leader among the board members in order to have a more focused direction.

Each Board of an NPO should be made up of a group of individuals who, as Board members, operate together in the wellbeing of the NPO. One of the most vital roles of the NGO Board is the appointment, training and evaluation of its members, both individually and as a group.

The board members should have a clearly defined roles and responsibilities including code of conduct in line with the mission and vision of their NPO.

They should be team players and be able to make independent decisions without having any conflict of interests or agendas. They should also be prepared to commit their time and effort in fulfilling their roles and responsibilities as a board member.



### **Conflict of interests**

A board member of an NPO that helps poor farmers is also the owner of a store that sells farming equipment. He uses his influence as a board member to get the NPO to purchase the necessary equipment from his store. This is perceived as a conflict of interest and is unethical. - Rolando Coto, Costa Rica, SWY17

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# NPO MANAGEMENT HANDBOOK

## **Documentation and Reporting**

Proper documentation of all activities and meetings undertaken should be available for future reference. Minutes of all executive meetings should be distributed or made available to all members. Activities and finances of the organization should be reported at least on an annual basis to members and stakeholders. This information may be displayed or shared through the organization's website or through a mailing list.

## **Registration**

Registration of the NPO with your local government depends on your individual situations. In some countries, it is a requirement to register. Where registration is optional, it may be beneficial and necessary in seeking funding. However, registration may come with it bigger accountability outweighing its benefits.

### **f. Accountability and Transparency**

NPO function through public support through donations and volunteerism, they shall be transparent in their operations to maintain public trust and confidence. As such, NPOs shall demonstrate their openness by providing the public with information about their mission, program, activities and finances.

## **Disclosure and Transparency**

The need to set principles and practices is necessary in order to maintain transparency and accountability. NPO should strive for openness and honesty internally and towards donors and members of the public.

Good governance provides the structure through which the objectives of the NPO are set, and the means to obtaining those objectives and monitoring performance are determined.

The NPO shall ensure compliance with the disclosure requirements of local laws and shall make the following information available and easily accessible to donors and prospective donors by posting them online or forwarding hardcopies upon request at cost:

- The latest annual report and audited financial statements (which include up-to-date information on programs, services, performance, and financials)

## NPO MANAGEMENT HANDBOOK

- A list of members on its governing board and management, as well as the organisation's contact information.

### **Financial Management and Control**

NPOs should apply sound financial supervision and comply with a diverse range of legal and regulatory requirements of the country. NPO Boards must be accountable in the maintenance of appropriate financial procedures to comfort themselves that their NPO is operating within its means and with due efficiency and integrity.

The main financial functions undertaken by the NPO Board are to:

- a) Establish policies and procedures for the NPO.
- b) Approve a budget that reflects the NPO's mission, vision and goals. It should be based on realistic statement of funding, costs, and other factors;
- c) Monitor and control expenditures on the basis of appropriate accounting procedures – expect and receive up-to-date financial statements at each Board meeting and allow adequate time for their full consideration;
- d) Oversee the leadership of the NPO's assets and liabilities;
- e) Approve annual reports, including financial statements;
- f) Ensure that there are adequate skills required for treasury duties.

### **Financial Internal Control Procedures**

The Board shall ensure that the NPO complies with legal and statutory requirements for its operations and finances, including applicable funding requirements. Specifically, financial statements and reporting shall be in compliance with requirements as per your country's financial legislations such as the Charitable Trust in Fiji and Singapore as well as “the NPO act” in Japan.

The Board shall ensure internal control systems with documented procedures. Examples of such systems are:

- Procurement procedures and controls.
- Call for quotations or tender.
- Receipting and payment procedures and controls. Cheques and other mode for payments or withdrawals from the NPO's bank account shall be signed by at least 2 authorised signatories (normally the President and Treasurer).

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- The need for a Fixed Asset management system
- Disclose the Profit and Loss Account and Balance Sheet in newspapers and/or NPO website. The annual reports should be available and easily accessible to the public and regulators.
- Ensure proper project budgeting
- Yearly auditing of accounts by external auditor (if required by statutory requirements).
- Board shall ensure periodical internal audit on controls, processes, key programmes and events (e.g. fund-raising).

### Summary of Overall Management and Financial Responsibilities

#### *Planning*

- Direct the process of planning
- Provide input to long range goals and strategy
- Approve long term goals and strategy
- Formulate annual objectives/plans
- Approve annual objectives/plans
- Prepare performance reports on achievement of goals and strategy
- Monitor achievement of goals and strategy

#### *Financial management*

- Prepare preliminary budget
- Finalize and approve budget
- Monitor that expenditure is within budget during the year
- Approve expenditures outside authorized budget
- Prepare financial statements
- Approve financial statements
- Draft financial management policies and procedures
- Approve financial management policies and procedures
- Sign-off on funding arrangements with the government and private donors
- Ensure annual audit of NPO accounts

# NPO MANAGEMENT HANDBOOK

## 6. Conclusion

This handbook is designed to assist the work of each NPO in a simple but concrete way. It is important to use all parts of this handbook to create a strong Alumni Association. In our ever changing world, the contents of this handbook must be reviewed periodically to maintain its relevancy. Some of the recommendation or suggestions may or may not be totally applicable to all the NPOs but what is important is to understand the rationale behind these suggestions and recommendations and to adapt them accordingly to suit the specific needs of different NPOs.

## 7. Resources

The following are some Internet resources where you can learn more about NPO Management, legal aspects of NPO procedures, and other news regarding the non-profit world.

Funding Information Service (New Zealand)

<http://www.fis.org.nz/index.php?resources=yes>

cape>gateway: Funding of Social Service Organisations (South Africa)

[http://www.capegateway.gov.za/eng/publications/guidelines\\_manuals\\_and\\_instructions/A/116508](http://www.capegateway.gov.za/eng/publications/guidelines_manuals_and_instructions/A/116508)

Nonprofit Quarterly (USA)

<http://www.nonprofitquarterly.org/>

Progressio: Capacity Building for Local NGOs: A guidance manual for good practice (UK)

<http://www.ciir.org/Templates/system/basket.asp?nodeid=89630>

Hurwit & Associates: Legal counsel for philanthropy and the nonprofit sector (Canada)

<http://www.hurwitassociates.com/>

BoardSource: Knowledge Database on nonprofit governance (USA)

<http://www.boardsource.org/Knowledge.asp>

Vita Europe: Non Profit Journal (EU)

<http://www.vita.it/categorie/index.php3?CATID=29>

Idealist.org: Nonprofit News, Organizations and Careers (USA)

<http://www.idealist.org/>

# NPO MANAGEMENT HANDBOOK

## 8. References

- [1] Salamon, L.; Anheier, H. 1996. *The International Classification of Nonprofit organizations: ICNPO-Revision 1, 1996*. Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project. The Johns Hopkins Institute for Policy Studies. Internet address: <http://www.jhu.edu/ccss/pubs/pdf/icnpo.pdf>. Last accessed: October 14th, 2006.
  
- [2] Funding South Africa. *Fundraising: Getting Started*. The Funding Site, South Africa. Internet address: [http://www.thefundingsite.co.za/tuts/showfaq.asp?fldAuto=13&archive\\_param=true](http://www.thefundingsite.co.za/tuts/showfaq.asp?fldAuto=13&archive_param=true). Last accessed: October 14<sup>th</sup>, 2006.
  
- [3] Jamil, Hishamuddin bin. 2004. *NPO Management*. SSYEAP Malaysia.
  
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## 9. Credits

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# NPO MANAGEMENT HANDBOOK

## Appendix I. ICNPO Classification

### GROUP 1: CULTURE AND RECREATION

- 1 100 Culture and Arts
- 1 200 Sports
- 1 300 Other Recreation and Social Clubs

### GROUP 2: EDUCATION AND RESEARCH

- 2 100 Primary and Secondary Education
- 2 200 Higher Education
- 2 300 Other Education
- 2 400 Research

### GROUP 3: HEALTH

- 3 100 Hospitals and Rehabilitation
- 3 300 Mental Health and Crisis Intervention
- 3 400 Other Health Services

### GROUP 4: SOCIAL SERVICES

- 4 100 Social Services
- 4 200 Emergency and Relief
- 4 300 Income Support and Maintenance

### GROUP 5: ENVIRONMENT

- 5 100 Environment
- 5 200 Animal Protection

### GROUP 6: DEVELOPMENT AND HOUSING

- 6 100 Economic, Social and Community Development
- 6 200 Housing
- 6 300 Employment and Training

### GROUP 7: LAW, ADVOCACY AND POLITICS

- 7 100 Civic and Advocacy Organizations
- 7 200 Law and Legal Services
- 7 300 Political Organizations

### GROUP 8: PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION

### GROUP 9: INTERNATIONAL

### GROUP 10: RELIGION

### GROUP 11: BUSINESS AND PROFESSIONAL ASSOCIATIONS, UNIONS

### GROUP 12: [NOT ELSEWHERE CLASSIFIED]

SOURCE: Salamon, L.; Anheier, H. 1996. *The International Classification of Nonprofit organizations: ICNPO-Revision 1, 1996*. Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project. Pg. 7. [1]

# NPO MANAGEMENT HANDBOOK

## Appendix II. Media Release Sample

**Your Logo Here**

**Contact Information:**

Program Director Name

Address for the site

E-mail

Website

FOR IMMEDIATE RELEASE: **(date)** *Put the date that you want the information released*

“Title Here” (Example: New Students Anxious to Get an Upper Hand on Technology)

CITY, STATE (*Example: AUSTIN, TX*) – This is the opening paragraph, and it should be really brief but explain all important points. This paragraph should be anywhere from 3 to 5 sentences. It should include the event that’s going on, the date, time and important people.

The next paragraph goes into more detail. For example, this section could explain the importance of the event and why it’s taking place. This is a good place to mention that the program and its participants depend on grants and other outside funding. In general, remember that most important information should be placed at the beginning of the article - information at the end is less likely to be read.

Another section could talk about the need for your particular program(s). This is where you’ll go in detail about how it got started and what services you offer. Once again, you should keep paragraphs at about 3 to 5 sentences in length.

The very last paragraph is called the “boilerplate.” It is usually no more than 2 to 3 sentences. ***Example: The Digital Workforce Academy strives to meet workforce demands in the digital economy by providing technology skills to underemployed members of our community. The academy is a non-profit 501c(3) organization that fosters community revitalization through education and technology training.***

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