

Concise History of the Organization

The Ohio Association of Nonprofit Organizations (OANO) is a statewide membership association of 501(c)(3) nonprofit organizations. OANO was founded in 1994 with broad input and support from Ohio's nonprofit and philanthropic community. OANO's mission is to increase the effectiveness of the nonprofit sector in Ohio.

During its first six years, OANO has worked to carry out that mission by

- Creating opportunities for training, education, networking and professional development for staff members of nonprofit organizations.
- Leveraging the combined purchasing power of its members to offer cost-saving products and services.
- Serving as an advocate and a voice for Ohio's nonprofit sector, particularly around state public policy issues, and keeping members informed on public policy issues.

OANO's founding director left the organization in 1998, and his successor was in place for less than a year. Richard L. Moyers became OANO's executive director in November 1999, and the subsequent 18 months have been a period of growth and transition. OANO's 2000 business plan outlined an ambitious strategy for growth and stabilization, and the plan's objectives have been largely realized.

The organizations that OANO serves represent the full spectrum of the nonprofit sector in Ohio, from arts organizations to small environmental groups and from all-volunteer organizations with budgets of \$10,000 or less to multi-million-dollar agencies with large professional staffs. OANO's membership is distributed geographically throughout the state, although concentrated in the major urban areas of Cleveland and Columbus. OANO offices are located in Columbus.

Membership currently stands at 460, an increase of more than 70 percent from January 2000. Earned income and diversity of revenue sources are at an all-time high. OANO has elected ten new board members in the last 18 months, and the board is active and engaged in determining OANO's future. In May 2000, OANO received a three-year grant commitment, the largest in its history, to expand its public policy program, and hired a full-time public policy coordinator in mid-November. In 2001, OANO was selected from a pool of 40 as one of five replication sites for the Standards for Excellence Program developed by the Maryland Association of Nonprofit Organizations. The replication project is funded for two years by the Carnegie Corporation of New York and has allowed OANO to hire a full-time director of programs. The number of funders providing grant support to OANO has increased from two in 1999, to seven in 2000, to seven during the first 8 months of 2001.

Current programs and activities for 2001 include

- Sponsoring and co-sponsoring more than a dozen workshops and training programs, primarily in central Ohio, attended in the first 8 months by more than 650 nonprofit leaders, including the following:
 - Employment Issues for Nonprofit Organizations (*Jan. 18, Cleveland; Feb. 22, Columbus*)

- Introduction to Business Planning for Nonprofits (*Feb.1, Columbus*)
 - OANO's 7th annual conference (*May 17-18, Columbus*)
 - Partnerships in Philanthropy (*May 30, Lorain County; Oct. 10, Zanesville*)
 - Unemployment Savings seminars (*June 12-15, 4 statewide locations*)
 - A Washington Update: New Retirement Plan Rules for Nonprofits (*June 25, Cleveland; July 26, Columbus*)
 - Building Capacity for Faith-Based Organizations (*July/August, Toledo*)
 - Standards for Excellence regional experts forums (*July/August, 4 locations across Ohio*)
 - The Strategic Board (*September 11, Columbus*)
 - Planned Giving: A Whole New Ballgame after the 2001 Tax Changes (*Sept. 26, Cleveland; Oct. 25, Columbus*)
 - How to Get Noticed by the Media (*October 19, Columbus*)
 - Effective Leadership (*November 29, Columbus*)
 - Intensive Grant-Writing Workshop (*Nov. 26 – Dec. 17, Columbus*)
- Publishing a newsletter and providing information to members on issues and trends that affect nonprofit organizations. OANO's eight- to sixteen-page quarterly newsletter, *Ohio Nonprofits*, is distributed to members as a benefit. Last year, OANO launched a new 2-page fax newsletter, *Public Policy Watch*, which is distributed every two weeks to members.
 - Enhancing the value and range of member benefits, adding several new benefits and strengthening existing programs.

As demonstrated below in our request for funding from the [REDACTED] Foundation for the new Standards for Excellence project, innovative programming and leadership on important philanthropic issues can establish OANO as the provider of choice for nonprofits in Columbus and central Ohio.

Introduction

The Ohio Association of Nonprofit Organizations (OANO), a membership association of more than 450 nonprofit organizations, is adapting and implementing the Standards for Excellence, a comprehensive ethics and accountability program developed by the Maryland Association of Nonprofit Organizations (Maryland Nonprofits), in Ohio. Maryland Nonprofits developed the Standards over a multi-year process that included a statewide ethics and accountability summit, a study of public attitudes toward nonprofit organizations, and extensive feedback and participation by nonprofit leaders representing a broad cross-section of Maryland's nonprofit sector. Ohio was selected from a pool of 40 to replicate the Standards program and has received significant national funding from the Carnegie Corporation of New York to begin this implementation.

The major purpose of the Standards for Excellence program is twofold. First, the program seeks to encourage and enable nonprofit organizations to improve their management practices in order to increase their capacity to provide vital programs and services in Ohio's communities. Second, the program seeks to preserve public trust and confidence in Ohio's nonprofits by demonstrating a shared commitment to ethics and accountability. The Standards for Excellence code and certification program are organizational tools to strengthen the effectiveness of nonprofit organizations. The training and technical assistance OANO will offer as part of the program will help build the capacity of nonprofit organizations in central Ohio.

Description of the Need

The Standards for Excellence program addresses the following social issues in the philanthropic realm:

- Declining public confidence in nonprofit organizations as a result of widely publicized scandals and abuses. Significantly, one of the most egregious of these incidents in Ohio has occurred in Columbus and has eroded public trust in a longstanding community agency. Since nonprofit organizations in the Columbus region and throughout Ohio depend on the ongoing trust of contributors and volunteers to fulfill their missions, OANO believes that Ohio's nonprofit sector should take decisive collective action to demonstrate our commitment to the highest ethical standards.
- Because the legal requirements for establishing and maintaining a nonprofit organization set a relatively low threshold for ethics and accountability, members of the public have few objective criteria against which to assess the organizations they support. Unscrupulous or unethical organizations are able to take advantage of nonprofit status while operating in ways that most nonprofit organizations would consider inappropriate. Public scandals involving these organizations threaten the reputation of the entire nonprofit sector.
- If Ohio's nonprofits do not move toward increased self-monitoring, we risk the imposition of increased regulations from external sources, resulting in potentially burdensome requirements that would divert resources and increase administrative burdens for all nonprofits. Recent scrutiny by the Ohio Auditor of State (a supporter of the Standards for Excellence program) points to the need for Ohio's nonprofits to publicly embrace standards of conduct that go beyond the legal minimum.

- Funders, including foundations, United Ways, and public funding entities, are expressing increased frustration with their ability to evaluate and assess grantees and are seeking benchmarks and tools that can assist them in assessing organizational performance and promoting organizational improvement.
- An increasing number of nonprofit leaders, including executives and boards of directors, are seeking guidance and direction regarding best practices in nonprofit management. OANO and other nonprofit service organizations receive frequent requests for assistance on a wide range of ethics and accountability topics, from conflict of interest to fundraising practices. The Standards for Excellence will provide concrete and specific information based on credible research.

Columbus has a vibrant and diverse nonprofit community that includes more 10% of Ohio's nonprofit organizations. OANO anticipates that approximately 150 organizations in central Ohio will take advantage of the training opportunities available through the Standards for Excellence program.

This is a new project for OANO and for Ohio. However, two other efforts merit discussion in the context of the OANO Standards:

- The Ohio Award for Excellence (OAE) is a Dayton-based, largely volunteer-driven effort to encourage Ohio organizations, primarily for-profit entities, to apply a “universally recognized excellence system for measuring progress and growth,” modeled on the Malcolm Baldrige National Quality Awards. The program is most appropriate for very large organizations. It does not focus on ethics and accountability nor was it developed specifically for nonprofit organizations. Participation in the OAE by Ohio nonprofits has been extremely limited.
- The Philanthropic Advisory Service of the Council of Better Business Bureaus has developed standards against which to evaluate nonprofit organizations, based primarily on fund-raising effectiveness. Local Better Business Bureau affiliates are increasingly attempting to apply these standards to local and regional organizations. The standards do not focus on ethics and accountability, they are primarily handed down from the for-profit sector, and the Bureau does not offer substantial training or other assistance for organizations wishing to advance in their practices.

Because of the limitations of both of these programs, central Ohio nonprofits have not readily adopted their methods. What nonprofit organizations in central Ohio need in order to increase public awareness and appreciation of the importance of philanthropy is a program that assists them in strengthening leadership and building their capacity, while at the same time promoting public trust and sector accountability.

Detailed Description of Project

The Standards for Excellence differs from the efforts described above in three important respects:

- 1) The program focuses on technical assistance and training to help nonprofits achieve the Standards for Excellence. The purpose of the program is to assist nonprofits in achieving a level of management success that supports their mission—not to punish them for noncompliance.

- 2) Participation in the Standards for Excellence is voluntary. Only organizations that wish to be assessed against the Standards are certified, and there is no public announcement of organizations that attempt but do not achieve certification.
- 3) The Standards certification process involves a detailed analysis of the organization by trained peer reviewers from the nonprofit sector. The analysis is based on in-depth information submitted by the organization itself—rather than a superficial review by a staff member with incomplete knowledge of the sector or organization.

OANO recognizes that many agencies also have sector-specific certification and accreditation requirements. Unlike these programs, the Standards for Excellence are applicable to all nonprofit organizations, and agency participation is entirely voluntary. Again, the focus on ethics and accountability is unique to the Standards for Excellence.

The Standards for Excellence code contains eight Guiding Principals and 58 best practice Standards in areas of governance, fiscal management, fundraising, etc. (See Attachment 3 for the complete text of Ohio’s Standards for Excellence document). OANO members agree as a part of their membership to adhere to the Guiding Principals of the code. Using a feedback and task force process, OANO has developed the Ohio version of the Standards for Excellence and will print and distribute a booklet (see Attachment 1) containing the entire text of the Standards to Ohio nonprofits, including approximately 200 in Columbus and central Ohio. Following the distribution of the booklet, we will offer informative workshops on the Standards for interested executive directors, board chairs, and nonprofit service providers—three of these workshops will be held in Columbus.

Through a voluntary certification process, approved by the ad hoc task force and up for approval by the OANO board of directors, nonprofit organizations in Ohio may apply to demonstrate their adherence to all 58 Standards and thereby earn the Seal of Excellence to use in their marketing and fundraising materials.

The program is targeted at executive directors and volunteer board members of nonprofit organizations in Columbus and central Ohio and is a capacity-building project for nonprofit organizations rather than direct service to clients. The project seeks to strengthen the infrastructure and capacity of nonprofit organizations, particularly organizations that do not participate in any other accreditation or certification program—typically small to mid-size organizations that lack a national affiliation. We estimate that several hundred nonprofit organizations in Columbus fit this profile.

The Standards for Excellence program has three strategic activity components.

- 1. The Standards for Excellence Ethics and Accountability Code.** Containing eight Guiding Principles—in the areas of Mission, Human Resources, Public Accountability and Fundraising, for example—and 58 Standards, the entire codes summarizes the “best practices” in nonprofit management and leadership. Central Ohio and other nonprofits can use the published document as a checklist for their own organizational practices and strategic development. (Please see Attachment 1 for Maryland’s published booklet [whose style will be replicated in Ohio with changes in the logo and colors] and Attachment 2 for the Ohio

adaptation of the Standards, to be voted on by the OANO board of directors in September 2001.)

- 2. Training programs, technical assistance, and written educational materials.** To implement and introduce the Standards, OANO will develop an array of tools to help nonprofit organizations learn about and implement the Standards. These tools include
 - a. Training courses will include a general introduction to the Standards. This 3-hour course provides an overview of all components of the Standards code and offers interactive, organizational assessment opportunities for participants. Other training will help nonprofits implement various aspects of the Standards for Excellence.
 - b. Written educational materials will be available to all OANO members at no charge. Educational resource packets generally include information on the importance of implementing that specific standard, justification for the standard, best practices associated with the issue, and model procedures or sample policies that comply with the standards. Maryland Nonprofits has already developed nearly 36 resource packets that OANO is free to adapt.
 - c. OANO staff or partner organizations will provide one-on-one technical assistance to organizations wishing additional help in implementing one or more of the Standards.
 - d. The application clinic provides training for organizations interested in participating in the voluntary certification program. The 4-hour session includes lecture and group participation to help participants learn the basics of the application process and be well on their way to completing the application.

- 3. A voluntary, self-accreditation program for organizations wishing to demonstrate a formal commitment to the Standards.** As part of the Standards for Excellence program, OANO will offer a voluntary, peer-review, certification program for nonprofit organizations that wish to demonstrate that they are living up to the Standards for Excellence. To participate, organizations submit an application, an application fee, and requested supporting documents which show their adherence to the Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector. Organizations approved by a team of trained peer reviewers will be awarded a Standards for Excellence seal of approval. Only those organizations that have successfully completed the certification program are licensed to use the Standards Seal of Excellence.

Objectives that relate to each program component are outlined below:

Strategy	Measurable Objectives	Timeline for completion
An ethics and accountability code that establishes specific benchmarks for ethical and accountable conduct in nonprofit leadership and management	1) <i>Using a process that engages a large number of executive and volunteer nonprofit leaders throughout the state, adapt and publish an Ohio version of the Standards for Excellence.</i>	Assuming that the OANO board of directors approves the text at its September 19 meeting, the Standards for Excellence booklets will be published in <u>October 2001</u> . <u>Nearly 100% complete.</u>
	2) <i>Disseminate approximately 5,000 copies of the Standards throughout Ohio, including 1,000 organizations in the Columbus region.</i>	October 2001 – December 2001
An array of technical assistance resources—including information kits and training curricula—designed to help nonprofits understand and achieve the Standards	3) <i>Publish technical assistance resources for at least 50% of the Standards and make them available to OANO members at no cost</i>	October 2001 – October 2002
	4) <i>Conduct 3 regional workshops in central Ohio to increase understanding of the Standards and increase organizations' capacity to achieve the Standards</i>	January 2002 – March 2002
	5) <i>Increase access to technical assistance by increasing OANO membership in the Columbus region by 20% (to 170)</i>	October 2001 – October 2002
A voluntary self-accreditation program for organizations that wish to demonstrate a formal commitment to the Standards	6) <i>Conduct a planning process to determine whether the accreditation program is appropriate for the needs of Ohio's nonprofit sector.</i>	<u>Completed August 2001.</u> Consensus of the regional feedback forums was that accreditation was a crucial part of the program; the Standards for Excellence task force recommends adopting this component. OANO board of directors will vote September 19 on this recommendation.
	7) <i>If OANO's board approves the implementation of this component, engage an initial class of 15 to 20 organizations that are committed to achieving certification.</i>	May 2002 – May 2003

We have entered into an array of collaborative relationships in order to implement this project. Business Volunteers Unlimited (BVU) in Cleveland, the Mandel Center for Nonprofit

Organizations (Cleveland), Firstlink (Columbus), United Way of Central Ohio (Columbus), and United Way & Community Chest (Cincinnati) assisted OANO in convening regional focus groups to discuss the Standards. Representatives of BVU, United Way Services (Cleveland), United Way of Central Ohio, the Toledo Community Foundation, and The Columbus Jewish Federation are participating as volunteers on OANO's Standards for Excellence Task Force (a task force roster is included as Attachment 2 in the Supporting Materials section below).

Interest in the Standards for Excellence program is also growing in the public sector. Auditor of State Jim Petro has endorsed the Standards for Excellence program and is in the process of assigning a member of the Auditor's office to the task force and possibly the ongoing advisory committee. In addition, later stages of the project will include targeted public education campaigns, so that potential donors and volunteers currently outside the sector will understand the Standards for Excellence program and how it might assist them in their decisions to become involved in philanthropy. OANO has received an early start on this publicity with the recent *Cleveland Plain Dealer* newspaper article about the Standards program (see Attachment 3).

We are requesting \$5,000 from the ██████████ Foundation to continue the implementation of the Standards for Excellence program for Ohio nonprofits during the period October 2001 – September 2002

- to support the creation and dissemination of printed and electronic information about the program,
- to support the development of training materials on each Standard, and
- to provide 3 free workshops to Columbus/central Ohio nonprofit executive directors.

These funds will assist us in salary and benefits support, travel and facility costs, and postage costs associated with the distribution of the Standards, development of training materials, and free Columbus workshops.

Plan for Continuing the Project

The Standards will be an ongoing program of OANO. The funders of the initial replication effort have indicated the possibility of a third year of startup funding depending on the effectiveness of the first two years. The program is designed to generate income from organizations that are participating in the certification program, as well as some sales of materials such as the Standards booklets. A number of Ohio funding entities, including United Ways and state funding and regulatory entities, have expressed interest in supporting the program. We are seeking a leadership grant from The ██████████ Foundation that demonstrates Ohio's commitment to this program to the Carnegie Corporation and that will allow us to leverage other funding from regional sources in Ohio to offer workshops across the state.

Plan for Evaluating the Project

Certain activities related to the project can be assessed based on performance—i.e., did we carry out the activities proposed? On a more sophisticated level, researchers from the Heller Graduate

School of Brandeis University will be evaluating five states that are implementing Standards for Excellence as part of the Maryland Nonprofits' replication program. The first meeting to discuss the evaluation process will take place on September 6, 2001, in Baltimore, and OANO representatives will attend that meeting to learn more about the national evaluation process.

Names and Qualifications of Persons Responsible for Carrying Out the Program

Key staff members involved in the project include Richard L. Moyers, executive director, and Leah Hackleman, director of programs.

Under the leadership of executive director **Richard L. Moyers** since November 1999, OANO's membership has grown by more than 60 percent to an all-time high of 460 members, and the organization has received major national grant support to expand its public policy program.

Prior to joining OANO in November 1999, Mr. Moyers spent more than seven years at the National Center for Nonprofit Boards (NCNB) in Washington, D.C., concluding his tenure as vice president for programs and services. In that capacity, he oversaw NCNB's publishing, membership, marketing, public relations, and international programs, and was editor-in-chief of *Board Member*, NCNB's periodical. Prior to joining NCNB in 1992, Mr. Moyers was assistant director of Philanthropic Service for Institutions, where he administered a multi-million-dollar challenge grant and capacity-building program to strengthen annual giving to a group of 50 parochial secondary schools. From 1988 to 1990 he was director of public relations at his alma mater, Columbia Union College in Takoma Park, Maryland.

He holds a bachelor's degree in communications from Columbia Union College and an M.A. in publications design from the University of Baltimore. He has served on the boards of the Takoma Foundation, the Bethesda Academy of Performing Arts, and the Support Center of Washington, and currently serves on the Management Advisory Committee of United Way of Central Ohio. He has written for *The Chronicle of Philanthropy* and *Nonprofit Times*, and was the co-author of *A Snapshot of America's Nonprofit Boards*, the first national nonprofit governance survey.

Leah D. Hackleman, Ph.D., director of programs, has spent more than a decade in public education and corporate training capacities with adult learners. Her background also includes graphic arts, customer relationship management, and print production management in the private sector. She holds a bachelor's degree in English and Women's Studies from Washington University (St. Louis); an MA in English from Miami University; and a Ph.D. in American Studies from Bowling Green State University, where she won a competitive national fellowship from the American Association of University Women Education Foundation to complete her dissertation. She currently serves as secretary of the board of Columbus-based Children Writing for Children, Inc.

The project will also require substantial participation from volunteers. A statewide task force is guiding the Ohio implementation process; OANO will also rely on staff and resources provided by the Maryland Association of Nonprofit Organizations, including Standards program director Amy Coates Madsen and program associate Noah Parker.