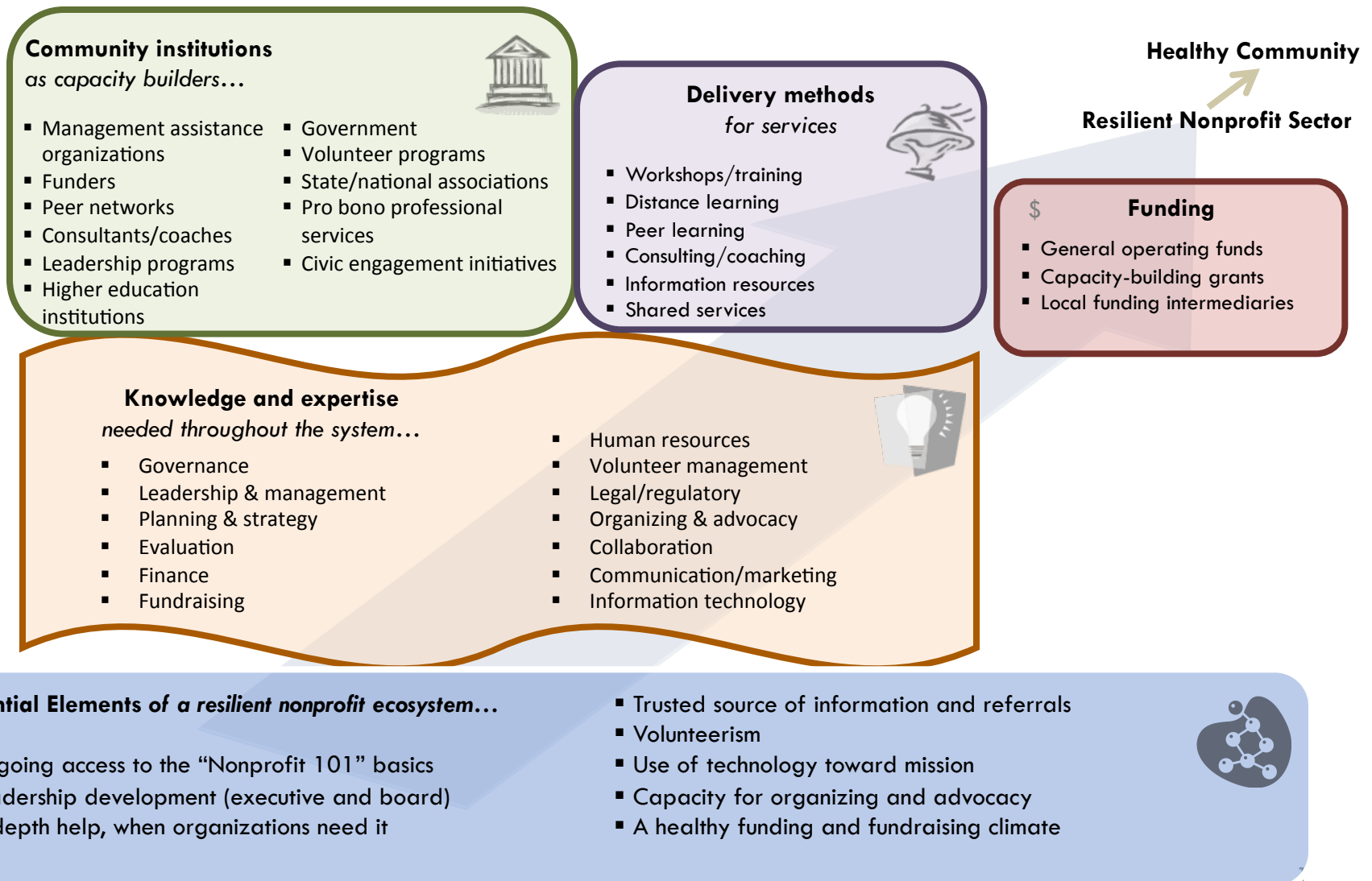


The Nonprofit Ecosystem Framework

What is Capacity Building? Any service that enhances the organization’s internal effectiveness at achieving its mission sustainably. In other words, activities which strengthen the foundation or “engine” of an organization, not just specific programs.



Key findings:

- Each community has a distinct nonprofit ecosystem, with unique assets and gaps.
- Nonprofits have insufficient funding for general operating and capacity building.
- Capacity building is complex, with variations in geography, definitions, quality standards, and expected outcomes.
- Funders contribute to this complexity through a patchwork of funding and differing approaches to capacity building.
- Larger nonprofits have more capacity-building resources; small- and mid-sized organizations are squeezed by lean staffing and program-restricted funding streams.
- Common challenges of rural communities – isolation, reliance on all-volunteer organizations, absence of locally based capacity-builders.
- Commonly cited gaps: improving board governance; knowledge gaps in areas of finance, fundraising, strategic planning, and leadership development; lack of access to in-depth consulting and coaching of non-profit leaders in many areas of the state.

Key opportunities:

Using this framework, funders can invest in capacity-building at many levels: individual nonprofits; a community/ecosystem; targeted ecosystem elements across multiple communities; the particular needs of rural areas; or strengthening the knowledge and service delivery tools used by capacity-building institutions. Funders may choose to invest collaboratively or individually.

Elements of the Nonprofit Ecosystem:

A nonprofit ecosystem needs eight essential elements to be healthy. All of these elements must be present in the system.

1. *An ongoing source of nonprofit board and management basics or “Nonprofit 101”* - basic roles and responsibilities of boards, nonprofit management topics such as finance, grant writing, legal/compliance issues, etc.
2. *The availability of in-depth organizational assistance*, when organizations need it.
3. *Ongoing ways to surface, educate and sustain leadership* at both board and executive levels.
4. *Trusted referral and information resources* for “just-in-time” needs, including information and professional advice in key operational areas as well as a trusted referral system
5. *A community infrastructure that supports volunteerism*, including skilled volunteerism for board leadership and capacity-building. This includes a system that recruits volunteers effectively as well as helping nonprofits to utilize volunteers.)
6. *The capacity to use technology in pursuit of mission*, including technology planning, ongoing IT support, and the ability to use data to inform needs and decisions *Organizing and advocacy capacity* that allows nonprofits to positively influence their community and public policy context.
7. *A healthy funding and fundraising climate* that includes successful local fundraising practices, and a diversity of fundraising sources that includes local support.

The essential elements are brought to life by knowledge, institutions, delivery mechanisms, and funding.

- Critical areas of *knowledge* must be found in individual leaders, organizations, and the community as a whole:
- *Institutions* do the work of capacity-building – management support organizations, funders, consultants/coaches, universities or community colleges, leadership programs, volunteer programs, state/national associations, pro bono professionals, etc.
- *Delivery mechanisms* are used by these institutions to bring capacity-building services to nonprofits – training, distance learning, coaching, etc
- Unrestricted and capacity-building *funding*, and effective local funding intermediaries familiar with the community