

COMMUNITY SHARES STANDARDS AND BEST PRACTICES

Introduction

This document has been created with the hope of making transparent the minimal standards that member groups in Community Shares must meet and to highlight best practices that non-profits throughout the country use to make their programs and organizations stronger. Community Shares' mission is to support Tennessee social change organizations in order to promote a more just and caring community. One of our values is the elimination of social, economic, cultural and political barriers that keep any person from fully participating in society.

There are several ideas underpinning these standards:

They are not meant to be punitive. Instead, they are meant to clarify what is already being used to evaluate groups and therefore make the evaluation process more transparent. (In some cases there are minimal standards that are new for CS. For example: a minimum of 4 board meetings each year has been a standard for the state and federal campaigns, but not a CS minimum standard.)

These standards come out of our statement of values, mission statement and by-laws.

These standards and best practices are intended to help strengthen social change work in Tennessee by providing groups with information about best practices from sister organizations.

Clarifying our standards and communicating them are beneficial to Community Shares:

- It helps current and potential member groups understand what is expected of them;
- It helps donors and workplace partners feel confident about CS and the quality of work that we fund;
- It helps us clarify how we live out our values.

New groups will not be admitted unless they meet the minimum standards. When a current member group falls below the minimal standards, this will be identified (usually as part of the annual CS Evaluation) and groups will then enter into CS' processes for correcting problems, i.e. probation, etc. as governed by CS policies. Groups will not be kicked out for violation of standards without a chance to correct the problem and due process as defined by CS policies.

While we have tried to clearly state all the minimal standards that CS member groups are held to, the Membership Committee and CS Board still retains the right to raise additional concerns through the evaluation process if these present themselves. Also, while the standards provide more clarity in the evaluation process, they do not substitute for common sense, extenuating circumstances and the best judgments of Membership Committee and CS Board members -- people who are also part of social change groups throughout the state.

Program

Best Practices:

- Every organization has both mission and vision statements, created by the Board, that guide the decision making and work of the organization. The mission and vision statements are used frequently as the organization makes decisions.
- The organization, as part of an annual goal setting process, creates goals that are focused both on the program(s) component and the internal work of the organization – the work of caring for the organization, such as board development, leadership development, fundraising, planning, etc.
- In addition to annual goals, organizations benefit from long term or strategic planning allowing the organization to create a plan of action that will be for a longer period of time, such as 3 years or 5 years. Analysis that

includes both major opportunities and challenges that are facing the organization allow for a focused plan that can meet challenges and achieve social change.

- As a result of regular planning and evaluation, the organization can maintain a sustained impact on the community and/or issue they are addressing -- not just a "flash in the pan."
- Find and make use of links between "your" issues and the issues of other organizations -- locally, nationally and globally.
- Leadership development is part of every piece of work that the organization does -- creating strength and skills development for the people most affected by an issue. "Winning an issue" does not sacrifice leadership development; neither does leadership development limit the ability to win the issue.

Minimum Standards:

- Annual goal setting and evaluation processes in place and used, incorporating significant participation by the people most affected by the organization's issue.
- The organization must have annual goals that are SMART (specific, measurable, attainable, realistic and timely) and that reflect the work for the coming year in both program work and internal process (i.e., board development, leadership development, fundraising, etc.). Also, the organization's social change work must be reflected in their annual goals.
- Regular and reasonable progress made on goals yearly. If goals are not met, we will expect as part of the annual CS evaluation process, analysis as to why the goals were not met and what corrections will be made for the following year. Note: if goals are not met because circumstances changed mid-year and the organization decided to focus on other opportunities and had different outcomes as a result, we need an explanation of that, but would not penalize a group for a change in direction (provided they still meet other minimal standards).
- The majority of an organization's program work promotes social change -- the collective action by people most affected by a problem that results in systemic or institutional change.

Member/Constituent Involvement:

Best Practices:

- An organization is made up of a broad base of community members who share in the work of the organization -- the program work, the fundraising, the governance, the administrative work, etc. We believe that for an organization to be healthy and strong there should be at least a minimum of 20 individuals sharing in the work of the organization.
- The people most affected by the issues a member group works to address (coalitional or otherwise):
 - Should play an active leadership role in the governance, decision-making and direction setting for the member group. This would include participation at all levels of the organization -- from committees to attending program activities to inclusion on governing bodies.
 - Influence the direction and strategies of the organization -- not just serve as the beneficiaries of the organization's mission and work.
 - Inform and lead the issues and campaigns of the organization.
 - Are participants in the goal-setting and evaluation processes within member organizations.
- We believe that organizations are most effective in fully involving those most directly affected by an issue when the organization has a plan to do so and regularly evaluates that plan.
- Member groups are strongest and most effective when they are diverse in their membership. This includes diversity in race, ethnicity, income levels, physical abilities and sexual orientation.

Minimum Standards:

- A member group must be able to show that the people most directly affected by the problem or issue(s) they address are involved in meaningful ways in the decision-making and direction setting of the organization.
- If the member group is a coalition of groups there has to be a demonstrated relationship between the people most affected by the issue and the direction setting and strategy for the coalition.
- Community Shares member organizations must demonstrate thoughtful and deliberate consideration of issues of diversity, structural oppression and racism.

Governance

Best Practices:

- Organizational boards should be large enough to ensure diversity of opinion and to represent the perspectives of people most affected by the issue the organization addresses. We believe that a minimal number of board members to ensure diversity would be 5 people.
- A majority of board members (at least 50% plus 1) should attend every meeting.
- If the organization's board is localized, board meetings should be face-to-face. If the board is for a regional or statewide organization, at least one meeting a year should be face to face.
- The majority of the people in leadership roles and/or governance positions should be the people most affected by the problem that the organization deals with.
- The board makes sure there is ethical behavior standards adhered to in the organization, including Conflict of Interest policies and Whistleblower Policies.
- The organization has a written diversity policy and plan.
- The organization can demonstrate a commitment to diversity with measurable results.
- Board members are involved in critical roles within the organization, including representing the organization publicly, fundraising, policy creation/oversight, staff oversight and mission and program oversight.
- Boards should regularly monitor and evaluate performance of staff -- at least the executive director if there is more than one staff person. Additionally, the board should receive the regular information from staff needed to provide oversight.

Minimum Standards:

- Organizations must abide by their own policies and bylaws.
- At least 5 people on the board.
- Boards must meet a minimum of 4 times/year, maintaining a quorum at 3 out of the 4 board meetings, minimally.
- Board members must be able to hear each other at board meetings. Therefore, a meeting via email does not qualify as a board meeting. At least one board meeting a year must be face-to-face.
- There must be significant participation in the organization's leadership by those most affected by the problem that the organization addresses.
- An organization or board may not prohibit its employees from collective bargaining.
- Board minutes and documents must be created, circulated and retained.
- Organizations and boards must conduct all activities without discrimination regarding race, gender, creed, age, ethnicity, national origin, disability, sexual orientation, gender identity and any other federally protected classes.
- Staff may not serve on the board of their organization as a voting member or officer.
- For the two member organizations that do not hold their own 501(c)3: the Community Shares member organization must have its own governing entity that meets all Community Shares' minimal standards for governance.

Fiscal Controls

Best Practices:

- For groups able to afford one, conduct an annual audit or financial review done by an independent accountant. Board of Directors should review the audit annually. The Board (or a committee designated by the board) should meet with the auditor annually.
- Have systems in place that provide transparency, accuracy and integrity in all financial dealings.
- Regular accountability to the board of the organization.
- Local, state and federal forms filed as required and are complete and accurate.
- Clear processes in place for creating, approving and reviewing the annual budget by the Board before the fiscal year begins.
- Budget planning that plans for a modest surplus at end of year.
- If, despite all attempts to prevent this, there is theft or embezzlement within your organization, you should notify your funders upon discovery. Following the discovery, follow-up with your funders on what changes have been made to correct the vulnerabilities indicated by the incident.

Minimum Standards:

- An independent audit must be conducted when required by the State of Tennessee to get a solicitation permit.
- There are some workplace campaigns that have stricter requirements than are Community Shares' minimal standards. To participate in any of these campaigns, you must comply with the requirements of each specific campaign. For example, there may be a requirement for audits or governance.
- Follow Generally Accepted Accounting Principles.
- Must have filed all required local, state and federal forms and be in good standing with these entities.
- Annual reporting to Community Shares through the Evaluation Process of:
 - Regular systems for Board oversight of financials and oversight of staff, or if no staff, the treasurer;
 - All required financial information, including actuals for the past fiscal year and budget for the coming year.
- If do not do an audit or financial review, annual reporting to Community Shares on what processes are in place to assure transparency, accuracy and integrity in financial transactions.
- If run a deficit, provide a plan for dealing with the deficit in the coming year and a statement signed by the board chair and treasurer indicating awareness that organization is operating at a deficit.
- For the two member organizations that do not hold their own 501(c) 3, both the Community Shares member organization and the fiscal agent for the member organization must adhere to all Community Shares' minimal standards for fiscal controls and reporting.
- Community Shares be notified upon discovery of theft or embezzlement. Following the discovery, we will expect a written report that analyses how the theft or embezzlement occurred and how the organization will correct the vulnerabilities indicated by the incident.

Fundraising

Best Practices:

- It is best practice to have many different "streams" of funding: foundations/grants, fundraisers, donor campaigns. It is also best to have a mix of "outside" money and "internally raised" money, i.e. foundation funding would be "outside" money; major donor giving would be "internally raised" money.
- Within your donor base or foundation funding, it is best to have a diverse base of funding so that if one foundation, government agency or donor decides to change their giving focus the organization has other funding sources still in place.
- Board members, members and/or volunteers should participate in the fundraising.
- The fundraising should be aligned with the values and mission of the organization.
- Organization expends funds responsibly; ensuring donated funds are dispersed according to donor wishes and requirements, and regularly communicates with donors regarding its activities.
- Financial reserves, even modest ones, allow the organization to withstand hard times.

Minimum Standards:

- Organization complies with all local, state and federal laws and regulations concerning fundraising practices.
- Fundraising communications include clear, accurate, and honest information about the organization, its activities, and intended use of funds.