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# Civil Society Support Programme - II

# Robust and Connected Civil Society for Refugees Project

## CSO Capacity Building Toolkit

T.C. HAZİNE VE MALİYE BAKANLIĞI MERKEZİ FİNANS ve İHALE BİRİMİ CFCU
KADEM WOMEN AND DEMOCRACY ASSOCIATION
SİVİL TOPLUM SEKTÖRÜ SİVİL TOPLUM DESTEK PROGRAMI
CEIPES CENTRO INTERNAZIONALE PER LA PROMOZIONE DELL'EDUCAZIONE E LO SVILUPPO
TÜRKİYE CUMHURİYETİ DIŞİŞLERİ BAKANLIĞI AVRUPA BİRLİĞİ BAŞKANLIĞI
REPUBLIC OF TURKEY MINISTRY OF FOREIGN AFFAIRS DIRECTORATE FOR EU AFFAIRS

## Introduction

The project "Robust and Connected civil society for refugees" has the aim to support the development of civil society through more active democratic participation in policy and decision-making processes, and through provision of more sustainable and effective services. So, it is important to improve the capacity of civil society organizations for a better civil dialogue, participation and reputation working with asylum seekers. In order to do that, it was necessary to structure different phases.

In the first one it was created a need analysis to build capacities of the organizations in long-term strategic planning, human resources and financial management, identifying performance criteria and monitoring of performance, gender equality, gender sensitive budgeting, diversifying financial resources, sustainability, accountability and transparency, lobbying and advocacy.

In a second moment, one success indicator was created for the development of the evolution of civil society organizations, in order to determine how efficiently these organizations operate. This was the last step before the training for civil society organizations. The success indicators mobilized technical internal audit mechanisms.

After that, it was created a capacity building training and mentoring, strategic plan development and monitoring for 100 participants from 62 CSOs.

This last step deals with the creation of this capacity building toolkit and mentoring to develop relevant performance indicators. This toolkit implemented the same programme of the training and has the aim to make this information useful for all the civil society organizations that work with asylum seekers.

As a matter of fact, many of these organizations rely on volunteers without professional and expert staff and base their activities on limited fund drives and charity without a regular and sustainable funding, thus work on small scale and limited activities. The irregularities and lack of financial and human resources restrain them from engaging in large scale, regular, planned activities. Lack of a long-term strategic planning weakens their effectiveness, their capacity to reveal and provide solution to deep rooted causes of the problems, their ability to find long lasting and definitive solutions to the problems.

This is the reason why this toolkit is important: it want to build capacities for these CSOs in long-term strategic planning, human resources and financial management, identifying performance criteria and monitoring of performance, gender equality, gender sensitive budgeting, diversifying financial resources, sustainability, accountability and transparency, lobbying and advocacy, reaching out to volunteers, will support development of civil society and contribute in making their activities related to asylum seekers more effective, sustainable and coherent.

# Chapter 1.
# Building your strategy

## 1.1. Management of Non-profit Organizations

The field of **Nonprofit Organizations** (NPOs) involves a wide and variegated range of different institutions, activities and needs, therefore, an interdisciplinary approach to be referred to. This first paragraph aims to outline a general overview of the concept of Non-Profit, providing some basic notions about the structure and the management of the organizations comprehended in this category.

Despite the complex variety of institution types existing nowadays, modern social life is commonly divided into two different broad sectors: the *private* and the *public* sectors. Adjoining the mentioned two sectors, it is, however, possible to identify another group of institutions, namely **Third Sector**. The latter sector is still considered, by many, hard to define, since it includes a spectrum of institutions with several differences and, at the same time, important common characteristics.[1]

The category of the Non-Profit has, in fact, blurred borders. This is demonstrated by the fact that some organizations can easily change status, moving from one sector to another. A clear example is represented by institutions such as hospitals, schools or museums, which can change from public to nonprofit or from nonprofit to forprofit.[2]

Nevertheless, in order to start defining the notion of Nonprofit, beyond its complex nature, it is important to mention some concepts strictly related to it and describing the environment in which the Nonprofit operates. These concepts are, in particular, the ones of *charity*, *volunteering*, and *giving*. The term *charity* refers to the purpose of providing help to people who are in need or of being engaged for public causes. In particular, in the field of the Third sector, *charity* refers to the charitable donations received by NPOs and spent in the pursuit of their goals. The other two concepts of *volunteering* and *giving* naturally derive from the one described before and are related to each other, since they

[1] Salamon M.L., Anheier H.K., *Defining the Nonprofit Sector: A Cross-National Analysis,* 1997, Manchester University Press, p.1

[2] Anheier H.K., *Nonprofit Organizations. Theory, Management, Policy*, 2003, Routledge Taylor and Francis Group, p. 8

both refer to the donation of something. On the one hand, *volunteering* primarily involves the free donation of time for the benefit of others. In NPOs, voluntary members represent, in fact, a big and essential part of the management and operational activities, even if several sectors of the organizations are often run by paid staff.[3] On the other hand, the notion of *giving* refers more to the donation of material goods addressed to individuals in need or organizations operating for public causes. Indeed, a significant part of the funds employed by NPOs is constituted by donations, even if they are also supported by other forms of financial sources.

Once generally outlined the context of engagement of Nonprofit organizations, it is necessary to provide some more specific definitions of the sector, looking at it from different perspectives. For instance, Anheier (2003) proposes some definitions from functional, economic and structural-operational perspectives, useful start points for an accurate description of the NPOs world.
The functional point of view focuses on the targets and purposes which the organizations operate for. NPOs are commonly engaged in the pursuit of the public interest and this statement confirms the connection between nonprofit sector and charitable activities. In order to make the description of the common goals of NPOs clearer, it can be useful mention some charitable purposes listed by the UK's Cabinet Office in 2002 and referring, in this case, to the criteria defining a charity. These purposes read as follows:

1. The prevention and relief of poverty;
2. The advancement of education;
3. The advancement of religion;
4. The advancements of health;
5. Social and community advancements;
6. The advancement of arts, culture and heritage;
7. The advancement of amateur sport;
8. The promotion of human rights, conflicts resolution and reconciliation;
9. The advancement of environmental protection and improvement;
10. Other purposes beneficial to the community.»[4]

[3] Anheier H.K., 2003, p. 38
[4] UK's Cabinet Office 2002, quoted in Anheier H.K., 2003, p. 43

The status of the organizations operating in the field of public interest and aiming at targets similar to the ones mentioned before often corresponds to a particular fiscal status. In fact, according to the specific tax code of the country where they are effective, NPOs are commonly accepted in the category of tax-exempt institutions.

This particular feature connects the functional definition to the economic one. The possibility for NPOs of seeking tax exemption is, indeed, one of the specific economic characteristics of this type of organization. As suggested by the term *Nonprofit,* NPOs categorically differ from the *For-profit* organizations, since they cannot distribute their income or assets to their members and their management body. This does not mean that NPOs cannot produce a profit at all, rather it means that the income they receive has to be employed for the mission of the organization and not towards the personal benefits of its members. Moreover, in case of liquidation or dissolution, the transfer of assets can only occur from NPO to another and not within the members of the organization itself. The dissolution of a nonprofit can produce several negative social effects both for the organization with its members and for its beneficiaries. [5] In order to prevent such adverse implications, it is very important to focus on the best strategies for managing an NPO, as we will show in the next paragraphs.

Another proposed definition for NPOs is the structural-operational one, focusing on the basic structure and operations of this kind of organization. The status of nonprofit organization requires a certain grade of institutionalization, given by the correspondence to some organizational criteria, such as the ones depicted by the following examples: organizational permanence; distinction between members and non-members; establishment of rules; legal identity.

A further feature of the NPOs structure is represented by being separated from the governmental institutions. NPOs are, in fact, *nongovernmental* identities, which always maintain their institutional structure and independence, even when they are also supported by governmental funds.

[5] Lu J., Jongmin S., Pengjun Z., *Understanding the Dissolution of Nonprofit Organization*: *A Financial Management*, 2019, School of Public Affairs and Administration Rutgers University-Newark, p. 3

As mentioned before, the NPOs structure is also characterized by a significant voluntary component involving contributions and workforce. Volunteers operating in the management and the activities of the organizations and voluntary contributions are not the only source of NPOs, but they represent an essential part constituting the structure of the institutions.

The definitions provided so far may not be completely valid all through the wide range of existing NPOs, but, starting from different points of view, they outline a general overview on the current situation of the nonprofit field.

To summarize, it is, therefore, possible to list the main common features of nonprofit organizations as follows:

- Aiming at the public interest and operating in the pursuit of public causes;
- Prohibition of distributing assets within the members of the organization and of earning the income;
- Nongovernmental identity and institutional structure;
- Presence of volunteers in the management, operations and employment.

The nonprofit sector, far from being a small and bordering part of social life, has experienced in the last years a notable increase, significantly influencing a massive part of modern society. Face to this considerable growth, new questions have arisen about how to run and manage nonprofit organizations. In order to analyze this latter topic, it is important to start focusing on the notions of **management** and **strategy**.

The concept of **management** has been analyzed by various distinct schools focusing on different aspects. A clear way to define it is, nevertheless, represented by the image of management as a process. This latter term commonly indicates a series of operations and steps aiming to a final goal. Similarly, management can be considered as a cyclical sequence of different components, as a mix of ingredients participating in the achievement of previewed objectives. Management must be, indeed, *purposive*, which means that it has to work in the pursuit of established goals. In order to make this process work, moreover, the management has to be *coordination*, since all the activities and elements co-operating in the process have to be organized and regulated by the manager. Furthermore, the process can be considered *social*, because the several operations and steps of it are carried out by people working together towards certain targets. The whole process, then, can be represented as a *cycle*, since it is an ongoing development of planning, actions, controlling and re-planning operations.[6]

The notion of **strategy** is generally explainable as a long-term action plan employed to set and organize a series of operations aiming at a planned goal. The first step for a strategy is, though, the establishment of a purpose and the choice of the actions needed to carry it out. Moreover, as affirmed by Bowman and Asche (1987), «Strategy can be seen as a key link between what the organization wants to achieve – its objectives – and the policies adopted to guide its activities»[7].

The two terms of *management* and *strategy* meet each other in the concept of **strategic management**, a significant notion for the analysis of NPOs management. The combination of the two concepts indicates the process of making strategic decisions and putting them into action. The strategic decisions are, in particular, those which guide the direction of the operations, always considering the potential changes that may occur during the process.

The notions explained so far are valid for nonprofit enterprises, but the same occurs for nonprofit organizations, in which managers have always to keep in mind the essential principles of strategic management for the achievement of the planned goals.

In the next paragraph, the tools employable for obtaining the best results in the NPO management will be proposed, together with the possible analysis instruments for controlling the process.

## 1.2 Tools to define your strategy and business analysis

As presented above, strategic management is the process of making long-term decisions, determining the vision and choosing the actions to be employed for the obtainment of planned results. This means strategic management plays an essential role in the success of an organization, since it includes the whole organization itself, with its mission, vision, goals, sources, members and beneficiaries. As companies generating profit need strategic

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[6] *Management: Concept, Definition and Process*, Accountancy, Business and Management, 19th June 2018, published in https://www.facebook.com/notes/accountancybusiness-and-management/management-concept-definition-and-process/1882634398702982/

[7] Quoted in Courtney R., *Strategic Management for Voluntary Nonprofit Organizations,* 2002, Routledge, p. 7

management, so NPOs do, because they operate in a context of continuous social changes. In the nonprofit sector, in fact, organizations have to employ strategic management in order to face social changes and always review their missions and objectives to be the most efficient possible.

Taking into account the huge variety of the existing NPOs, nevertheless, it is necessary to affirm that a unique and universal toolkit to be applied for strategic management does not exist and that appropriate models depend on the specific circumstances. Though, it is possible to outline a general basic inventory of instruments, mechanisms and steps, crucial for running the management of an organization. A suitable starting point for the description of the possible tools, which a manager can benefit from, is constituted by the *Steps of Strategic Management* proposed by Anheier (2003), listed and explained below:

- Step 1. *Getting started and participation*. In this phase, it is necessary to set the goals, identify the expectations and involve the stakeholders;
- Step 2. *Develop or review the mission of the organization*. This step previews the examination and revision of the mission;
- Step 3. *Internal scan*. The third step is the reviewing of the organization sources: human resource, competences and motivation of voluntary and paid staff, financial resource, programs;
- Step 4. *Environmental and Future Scan*. This phase consists of the examination of the environmental conditions and changes and survey of stakeholders;
- Step 5. *Analysis*. As it will be explained later in more detail, the analysis phase is needed to carry out a general assessment of the organization;
- Step 6. *Identifying strategic issues*. This step is necessary to identify the priorities of the organization and the issues that obstacle the achievement of the planned goals. It is useful in this phase to measure the Efficiency and Effectiveness of the work, i.e. respectively the success level of the transformation of the inputs into outputs and the achievement of the previewed outputs.
- Step 7. *Strategic development*. The seventh step concerns the formulation of appropriate strategies for each priority and circumstance.

- Step 8. *Implementation plan*. It consists of the time planning for putting the decisions into action and of the identification of implementation priorities.[8]

In the context of the tools presented above, particular attention is deserved by some forms of general analysis and stakeholder examination, since they allow us to be aware of the ongoing development of several aspects of the organization management.

The afore-mentioned **stakeholders survey**, in particular, is a questionnaire-based method used to understand and analyze the knowledge, preferences, opinions, interests and experiences of the different stakeholders of an organization. The stakeholders taken into account can belong to various categories, such as voluntary and paid staff, beneficiaries, members, board members, users and funders. The stakeholders are selected through sampling techniques and this kind of survey can be a tool used both for evaluating and monitoring the processes.[9]

One example of a stakeholder survey is the *Deplhi method*, whose intent is the one of addressing a problem or a complex topic, gathering the opinions of the participants on it and trying to build a certain consensus on the problem taken into account and the possible actions to implement. The selection of the Delphi participants depends on the central topic of the analysis: it can involve the major stakeholders or, instead it can just include the ones with stronger expertise in that specific context. Once identified, the participants have to answer a questionnaire submitted by means of web-based communication or telephone interviews. The collected answers are divided into groups reuniting similar opinions and representing the consensus or dissensus flows emerging from the questionnaire. Organized and commented, the opinion clusters are re-submitted to the participants who have the possibility to respond to them.[10]

A further and interesting analysis method for monitoring the management of an NPO is the so-called **SWOT**[11] analysis, employed to identify the strengths, weaknesses, opportunities and threats of the organization. This kind of analysis is essential to examine the internal and external factors influencing positively or negatively the achievement of

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8 Anheier H. K., 2003, p. 261
9 Sadashiva M., *Stakeholder surveys*, 13th October 2013, CIVICUS, https://www.civicus.org/documents/toolkits/PHX_H_Stakeholder%20Survey.pdf
10 Twin A., *Delphi Method*, 25th June 2019, published in Investopedia https://www.investopedia.com/terms/d/delphi-method.asp
11 SWOT is the acronym of the words *strengths*, *weaknesses*, *opportunities* and *threats.*

the planned objectives. *Strengths* are all the advantageous internal factors that can positively contribute to the accomplishment of the organization mission. Examples of strengths can be a motivated and competent staff, great leadership, a high number of volunteers or a stable economic base.

On the contrary, *weaknesses* are gaps in the internal system of the organization that create obstacles to the successful fulfillment of the mission. In the management of an NPO, it is very important to recognize and admit the existing internal fragilities, in order to find the best strategies to improve and overcome them.

Concerning the external factors, it is possible to find, on the one hand, *opportunities* and, on the other hand, *threats*. *Opportunities* are, in particular, advantageous factors in the external environment that the organization could exploit and benefit from. For instance, opportunities can be strong partnerships with other local organizations or the use of external events for raising funds.

In regard to the *threats*, these negative factors usually come from the external context but they can also derive sometimes from internal circumstances. Examples of external factors negatively influencing the NPOs can be the laws of the country where the organization is effective or other competitive organizations. If internal, the threats can come from disagreement among the leaders about the decisions to make or unmotivated volunteers. The SWOT analysis, that can be presented in the form of a questionnaire, allows the managers to collect and analyze answers about the afore-discussed points and, thus, to plan the right strategies to apply.[12]

A further analysis method is the **PEST** analysis examining environmental factors. In particular, the elements taken into account by the PEST tool are the political, economic, socio-cultural and technological factors. Similar to the PEST is, moreover, the **STEEPLE** analysis, which offers an overview of the social, technological, environmental, political, legal and ethical fields. Social analysis has especially the intention to examine trends and patterns, while the technological one investigates the innovations of technology. The environmental and the political analysis focus, respectively, on the impact of the organization on the environment and on political changes and circumstances influencing the processes of the NPO. The legal analysis, then, refers to the legal limits and regulations

[12] Anheier H.K., 2003, p. 266

imposed on the NPO and the ethical one focuses on the social values which the organization wants to shape itself on.

The steps and analysis methods presented above are general and basic indications that can, though, represent a useful inventory of tools to refer to in the management of an NPO.

### 1.3 NPO types

In the previous paragraphs, NPOs have been analyzed from a generic perspective and in relation to the tools to put into action for their management. In the present paragraph, instead, the variety of the nonprofit sector will be taken into account in more detail, listing some of the existing types of NPOs.
We will propose two different classifications of Nonprofit organizations, considering, for the first one, the type of structure in which they are organized, i.e. the kind of institution they represent, and, for the second one, the field of interest of their purposes.

The following list proposes some examples of NPO types, classified according to the form of their internal structural organization

- *Voluntary associations*. Voluntary associations are private, membership-based organizations in which membership is non-compulsory. They are distinct from many nonprofit organizations such as hospitals, social service agencies, or art museums, which may have a governing board but no broad membership base. In addition, like other nonprofits, the association should have identifiable boundaries to distinguish members from non-members, and should be self-governing and non-commercial in objectives and behavior.»[13].
- *Foundations*. Foundations are defined differently according to the legal system of the country where they operate. Despite the possible differences, however, foundations are institutions based on a specific endowment destined for public interest or charitable purposes. The common image concerning all the foundations, regardless of the legal differences, indeed, is a private fund serving a public cause.

[13] Anheier H.K., 2003, p. 49

- *Faith-based organizations (FBO)*. FBOs are particular organizations formed by church clergy and working for purposes of different nature. These organizations can be, for instance, engaged in providing shelters and food or helping in job search. FBOs are usually institutions created by different religious congregations to coordinate and manage their sources in order to improve the process of achievement of their charitable goals.

As mentioned before, it is possible to classify NPOs according to their area of competence. Anheier (2003) proposes the International Classification of Nonprofit Organizations, in which NPOs are divided into eleven groups that read as follows:

1. *Culture and recreation*. Organizations pertaining to this group are involved in the field of cultural dissemination, cultural performance, sport and other recreational activities. Examples can be museums, theaters, sports centers or recreational clubs.

2. *Education and research*. These organizations promote, support and provide education and research. This category can include all kinds of schools, formation centers or research centers.

3. *Health*. NPOs engaged in this fieldwork for the prevention of illnesses, provide health-care services and all activities related to the health sphere. In fact, even hospitals and emergency or rehabilitation centers can be nonprofit organizations.

4. *Social services*. The organizations working in this sector provide social support and services to the community. The beneficiaries of the services can be certain specific categories of the community, such as children, elderly people, families, people with disabilities, refugees, disaster victims.

5. *Environment*. The fifth category refers to those organizations which work for the preservation of the environment and against pollution implications. They provide environmental education for people, as well as concrete

actions for pollution control and nature protection, such as management of recycling services, horticultural programs, campaigns, animal protections and beautification programs.

6. *Development and housing*. There are also NPOs working for the economic and social development of society. These organizations propose solutions or support to the part of the community suffering from poverty, lack of infrastructure and shelter or complicated professional situations. They can provide legal and financial support, housing assistance, professional training and programs for social and economic development.

7. *Law, advocacy and politics*. This group includes organizations protecting legal rights or working for the social and political interests of the community. For instance, NPOs working in this field can be advocacy or legal associations, organizations for crime prevention or political organizations.

8. *Philanthropic intermediaries and voluntarism promotion*. These organizations promote charitable activities in various fields. They are especially involved in the promotion of voluntarism, for example through training for volunteers, and in the management of fund-raising campaigns and events.

9. *International activities*. These NPOs work for the promotion of intercultural cooperation and harmony among people coming from different countries and different cultural backgrounds. NPOs promote mobility and cultural exchange programs, provide help abroad in case of emergency and disasters, support the respect of human rights.

10. *Religion*. NPOs working in the religious sector aim to promote religions, rituals and beliefs, providing services in religious institutions, such as churches, mosques, synagogues, temples, and congregations.

11. *Business and professional association*. These NPOs promote the interests of certain business categories and safeguard the rights of the employers and workers in general.[14]

The picture below shows, for instance, the percentage of NPOs operating in different fields in Turkey.

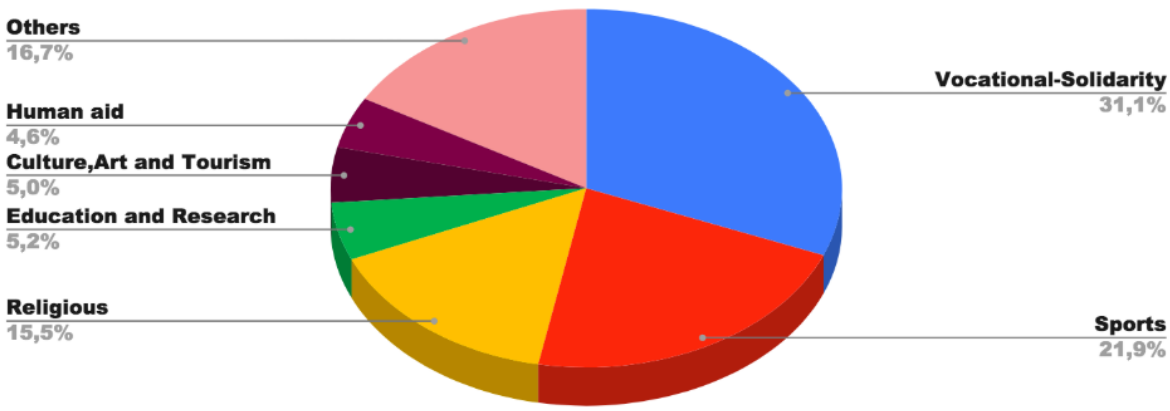


Figure 1.

As it has been shown, the nonprofit sector has blurred and fluid borders, since it includes organizations operating in many different fields and being characterized by various specific peculiarities. Despite the distinctions existing in the organizational structure, in the area of competence and in the legal identity, NPOs maintain some common features which make this sector one of the most increasing sectors of modern society.

[14] In Appendix II, Anheier H.K., 2003, p. 383

# Chapter 1.
# Advocacy

## 2.1. Introduction to Advocacy

In the previous chapter, we outlined a description of Nonprofit organizations, looking at some useful tools to employ for their management. We have, though, perceived the ambiguity of the nonprofit sector and the difficulty of defining it. The same can occur with the notion that we are going to present in this chapter, i.e. the notion of **advocacy**. This term, indeed, has a broad-spectrum meaning and includes a wide range of activities differing from each other but all aiming to common goals. We can start introducing this topic by giving a look at the etymology of the word: *advocacy* has a Latin origin and derives from the verb *advocare* which literally means 'to call out for support' but also 'speaking on the behalf of someone else as legal defender'.[15] Advocacy is, in fact, the act of publicly pleading for or upholding a cause. It is, therefore, a deliberate process that tries to influence decision makers and general stakeholders to contribute to the fulfillment of a purpose. Advocating also includes activities that attempt to develop other people's awareness about an issue. This practice aims indeed not only at influencing public policies but also public opinion. Obviously, the act of advocating does not concern the attempt to influence decision makers on any issue, but it concerns in particular causes regarding the community and the public well-fare.

If considered in relation to the nonprofit organizations, the concept of advocacy can appropriately be defined by Jenkins' (1987: 289) statement, which describes it as «any attempt to influence the decisions of any institutional elite on behalf of a collective interest». The definition of advocacy includes, therefore, the notion of *influencing*, since it aims at impressing decision makers minds, and the idea of *deliberate process*, because the whole advocacy practice is based on intentional actions and strategies. In order to understand in a more clear way the concept of advocacy, it is important to spell out the basic goals of advocating activities which can be summarized as follows:

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[15] Based on input from Alison Marshall, UK National Committee, and Jyothi Kanics, PFP Geneva, quoted in UNICEF Advocacy Toolkit, p.2
https://www.unicef.org/cbsc/files/Advocacy_Toolkit.pdf

- Changing decision makers’ minds and public opinion.
- Creating new policies in a certain sector when they do not exist yet.
- Reformulating  existing policies which are not efficient or appropriate.
- Guaranteeing that new valuable and adequate policies are implemented.

The afore-mentioned goals can be reunified under the notion of **policy change** that constitutes the base of advocacy.[16]

In the nonprofit sector, advocacy is attracting more and more attention and is becoming a common strategy employed by organizations in order to influence directly or indirectly decision makers in their specific area of interest. For this reason, in a tool-kit for NPOs management such as the present one, it is essential to analyze how organizations can strengthen their capacities and which skills and components are needed for a more efficient and productive advocacy practice.

- A first essential component to check is the *credibility* of the organization. It is crucial, in fact, to be a credible and adequate spokesperson to represent others in policy debates, i.e. to be legitimated to speak on behalf of others. In order to be influential and powerful, indeed, organizations and their values have to be considered trustworthy by their interlocutors.
- Moreover, organizations that want to launch an advocacy process have to *gather political and policy information*, in order to build a strong theoretical background, crucial to identify policies and decision makers for the area which they are interested in.
- NPOs also need the *ability to assess risk.* They have to list and evaluate all the potential risks and gains of advocacy, comparing them to the dangers and advantages of non operating in the field of advocacy.
- A good advocacy process needs strong strategic relationships which can count on. Relations are commonly defined strategic for NPOs advocacy, if established with influential government representatives or policy makers. Moreover, it can also be

[16] Sprechmann S., Pelton E., *Advocacy Tools and Guidelines: Promoting policy change*, Cooperative for Assistance and Relief Everywhere (CARE), January 2001, Atlanta, GA, p. IV

useful to build a stable network within the NPOs sector, i.e. with other organizations aiming at the same purposes and policy change.[17]

- A further essential component to check is constituted by the resources of the organization. Advocacy processes, in fact, need a high level of both financial funds and human resources. NPOs, therefore, have to ensure a stable amount of resources for advocacy if they want to work on it.

The elements described so far refer to a general and basic inspection that organizations need to carry on before starting to advocate in their area of interest. In order to begin a real advocacy action, however, it is fruitful to plan a long-term advocacy strategy and a range of initiatives, identifying the targets, the crucial topic and message, the methodologies to be applied, the strength points and the weaknesses of the process. Planning an advocacy action involves, therefore, several steps. The ones listed below can be assumed as a good basic guidance for the planification of an advocacy process.

1. First of all, it is necessary to **identify the goals** that the organization wants to achieve by means of advocacy. This basic and initial phase can be hard, because goals and outcomes are not easy to define. A clear identification of them, however, can help to set up the whole process and make it effective over time. In this first phase, NPOs have to analyze the situation, recognizing the most important issues to deal with and thinking about the possible solutions.[18] During the situation analysis, several different issues can arise: in this moment, it is necessary to identify the priorities and make choices about which question needs to be addressed first. Once identified the overriding issue to deal with, brainstorming can be useful to stimulate the outcome of ideas concerning the matter and the determination of causes and effects related to it. Starting from the results of the brainstorming, it will be easier to think about the solutions.

2. When the goals have been established, organizations need to identify those people and institutions that can permit their realization. Therefore, to put into effect the

[17] Sprechmann S., Pelton E., 2001, p. 10

[18] Schultz J., *Strategy Development: Key Questions for Developing an Advocacy Strategy*, http://www.democracyctr.org/advocacy/strategy.htm

purposes of an advocacy process, it is necessary to know **who can make it happen**. In this phase, NPOs need to carry out an accurate stakeholders analysis aiming at identifying the most influential audience targets. The methods to implement this analysis are various and can consist of stakeholders surveys, interviews, community mapping, workshops, contacts databases of other NPOs. The analysis has to check several features of the stakeholders, such as their influence on making decisions concerning that field, their position in regard to the issue (support or opposition), their interests and expectations.

3. Once the target audience has been established, it is essential to **shape the message** according to it. The more persuasive and attractive the advocacing action is, the more successfully the planned purpose can be achieved. For this phase, it is essential to carry on a deep analysis of the audiences' interests and opinions, in order to recognize what could appeal and what could upset them. Thanks to this kind of analysis, it is possible to have an overview of the possible matching points between the audiences' interests and the NPO advocacy goals.

4. As already mentioned before, in the preparation of an advocacy action it is essential to **check the available resources** of the organization. A successful advocacy implicates, indeed, a deep assessment of the financial and human resources, of the past advocacy works, of the capacities and skills of the staff, of the network weaved by the organization. An accurate check can be useful to outline an inventory of the resources already available, on the one hand, and of the resources to recover and put in place, on the other.

5. The last step of the planning process is the **identification of the best strategies** and **activities to step into action**. The plan, in fact, should anticipate the activities and all the components forming the implementation process of advocacy. In order to do that, it is useful to set some interim outcomes, i.e. shorter-term results to achieve which can mark the rhythm of the process and stimulate to move forward. The fulfillment of all the previewed outcomes implicates, in fact, the achievement of the advocacy goal.

The advocacy process is like a long journey with several stages and stops. For this reason, as demonstrated before, planning all the steps can be essential for obtaining good results. Through an accurate planification of the process, in fact, it is possible to monitor and check all the stages along the way in order to be able to correct or modify what is not working.

### 2.2 Ethics and cultural sensitivity in advocacy

As discussed so far, advocacy can be defined as the process of influencing decision makers by speaking on the behalf of others. When an NPO decides to conduct an advocacy action, therefore, it starts representing some other's idea with the aim of persuading the target audiences to accept it. Advocacy can be, thus, considered as a delicate matter which needs to be carried on in harmony with ethical values and the law. As mentioned in the previous paragraph, a basic feature NPOs need to have to conduct advocacy is credibility and credibility derives from the evaluation made by others about the moral values, the attitude, the norms and the way of operating. Ethics and credibility are, hence, strictly connected and represent two essential components of the advocacy sphere.

According to the definition of *ethics* provided by the Cambridge Dictionary, it is «a system of accepted beliefs that control behaviour, especially such a system based on morals»[19]. In the case of advocacy, the respect of ethics can be achieved through the conformance to certain attitudes and criteria defining the way of operating.

- Advocates have to remain objective and impartial during the evaluation of the issue before deciding if it merits advocacy. *Neutrality* has to be maintained during the whole evaluation process, i.e. during the identification of the priorities among the different issues that need to be addressed.
- Advocacy also needs *sensitivity*, which means that advocates have to be able to balance between the needs related to the issues and social responsibilities.
- In order to remain ethical in advocacy, *confidentiality* is necessary, because advocates have to respect the secrecy on the private affairs regarding the organization or the community they are representing. On the other hand, advocates

[19] https://dictionary.cambridge.org/dictionary/english/ethic

need, nevertheless, to be honest and truthful in all contexts. Both confidentiality and *truthfulness* are essential features to be trustworthy for the stakeholders.

- The notion of *validity* is connected to the previous point, since everything told on behalf of others has to be valid, i.e. have to be true and attested.
- Essential in the advocacy process is the concept of *respect*, since advocates have always to maintain a respectful attitude towards other interlocutors, promoting the peaceful mutual exchange and the dialogue.[20]

The conformity to the afore-mentioned criteria can help organizations to keep an ethical behaviour during their advocacy processes. A check-list of ethical criteria is, in fact, an useful tool the NPOs can use in order to measure how far they are from the ethical standards and how they can improve their actions.

Moreover, a successful advocacy process does not just need to be conform to certain ethical values, but it also has to take into account the cultural background of the audiences. In this regard, a crucial component to consider is the *cultural sensitivity*, i.e. being aware and accepting cultural differences, without assigning them any positive or negative value in comparison to other ones. Indeed, decision makers are human beings carrying their own specific cultural features deriving from their social, geographical, educational, cultural background. The audiences' perception of advocates' communication is, in fact, affected by several factors coming from the afore-mentioned background and this has to be kept in mind during the planning of advocacy actions.

Before implementing advocacy actions, therefore, it is important to gather information concerning the stakeholders who the message is addressed to and tailor the communication depending on the audiences' expectations.

With regard to cultural sensitivity, a further and fundamental factor to take into account is the language. When advocacy actions are conducted in a language, such as English, which is the common communication language, but not the native language of the audiences, advocates have to shape their message according to it. This matter deserves attention, since a deep and clear understanding of the issues and the arguments proposed by advocates can determine the success or fail of the whole advocacy process. Advocacy communication strategies can, therefore, prefer in some cases a clearer simple and concise way for

[20] *The Ethics of Public Policy Advocacy*, 18 January 2016, AALEP, http://www.aalep.eu/ethics-public-policy-advocacy

expressing arguments and explaining issues, rather than the persuasive and high quality language they would commonly use.

Advocacy processes need, therefore, to be responsible and transparent in order to benefit society. An ethical, sustainable and successful attitude requires the respect of well-defined ethical policies, being open and tolerant towards the addressed people and organizations, coherence to the established values and the mission throughout. Once described the concept of ethics in advocacy and listed the criteria for monitoring it, the next paragraph will focus on some strategies and tools to employ to put advocacy into action.

### 2.3 Advocacy campaign and communication strategy

As already told in the previous paragraphs, NPOs need to carry out an accurate stakeholders analysis in order to identify the best target audiences for their advocacy actions. Once established who the advocacy action will be addressed to, it is the time to define the message and choose the best strategies for implementing the process.

Before starting, NPOs should select their advocacy roles, choosing, for instance, to operate directly at the forefront or to support a coalition of other NPOs making advocacy for the same purposes. The role that an NPO decides to take depends on different factors, such as the available resources, the experience and knowledge on the considered issue. To explain more concretely how organizations can take a role in advocacy, we provide some examples of the potential functions: for instance, organization can collaborate in advocacy as *expert informant* or *capacity builder*, i.e providing technical information or training and solving in this way the knowledge gap of decision makers; NPOs can also have the role of *lobbyist* and *player*, participating directly in the process and presenting publicly their position to influence decision makers. The role that organizations choose depends on different factors, such as the target audience, the available resources and the knowledge of the staff.[21]

As explained throughout the chapter, advocacy encompasses a wide range of different actions, which substantially differ from each other in the form they are put in place but share the same goal of influencing decision makers and changing policies and public

[21] Sprechmann S., Pelton E., 2001, p. 51

opinion. For this reason, it is not easy to provide a general and universal description of advocacy campaigns, since they can take several distinct shapes. However, it is possible to identify some essential components and to provide examples of communication strategies employed in advocacy.

A main step of every advocacy campaign is, for instance, the development of a strong message which fits with the context, with the target audience and with the considered issue. The message has to be clear and comprehensible for the audience, by explaining what the organization is proposing and why this change can be positive. NPOs have to be sure, therefore, that audiences have received and understood the message, because the goal of an advocacy process is to change their mind and make them agree with the message.

The strategies for delivering this message have to be planned and organized before starting the campaign and NPOs can tap on a broad assortment of potential tactics.

A good tactic derives from a strategic vision involving the whole context and the whole range of planned goals. The perfect tactic for the advocacy process requires, therefore, to be flexible and attuned to the fulfillment of the planned outcomes.

Certainly, the fundamental skills to have for a successful advocacy process are communication skills. All the strategies to apply during the development of advocacy, in fact, are necessarily communication strategies. The success of an advocacy campaign relies on the capacity of communicating effectively, i.e. being able to make others receive and understand the message in the best way.

For instance, advocacy messages can be delivered in writing or verbally, and both ways require efficiency and high-standards performances. Proposing the message in a written form, for example, can be advantageous if there are no previous relationships with the target audience and because it creates a record of the proposed position. NPOs employing written forms for advocacy have, nevertheless, to keep in mind that the message could be also read by others than the target audiences and that every element has to be over-analyzed before being transmitted.

The message can also be presented verbally to a group and, in this case, it has not just to be clear and understandable by the audience but it also has to be attractive to hold the attention of the public throughout the presentation. It has, therefore, to produce expectations, introducing at the beginning the topic and its key points.

A common strategy employed by NPOs to conduct an advocacy process is the media campaign. The use of media for advocacy is particularly important when the message has to be widely released and it has to change public opinion. In case of media campaigns, NPOs can benefit from the advantages of spreading the message throughout a very large number of people quickly and of increasing their credibility with decision makers. For a media campaign it is important to choose among the different media, analyzing which of them is more influencing on policy makers. Depending on the country in which the NPO is operating, the selection of the right media can be crucial for the successful reception of the message by the audience. It is in fact important to check if the selected media is credible enough for policy makers and if it is used to deal with stories and topics as the ones proposed by the NPO. In the field of media, then, the communication forms are various and can range from news releases to interviews, from news conferences to social media posts.

Among the different media, in fact, some of the currently most employed for advocacy campaigns are social media. In the last few years, indeed, companies and organizations have started rethinking their approach to social media, since these latter ones represent an excellent way to connect and reach people wherever in the world. The management of social media for advocacy campaigns requires, though, a staff combining public relations, communication and digital marketing skills. Social media communication needs immediate messages able to involve people from different backgrounds and to make them start advocating for the same issue. A commonly used strategy for social media advocacy is, for instance, storytelling which makes people identify themselves with the considered question.[22] Social media create, in fact, platforms for sharing stories and can produce discussions and debates accessible to everyone. In order to understand better the power of social media in advocacy, it is useful to have an example of a campaign conducted by an organization: for instance, WWF launched in 2014 a campaign on Snapchat posting timed stories with pictures of animals of endangered species and using the hashtag #LastSelfie; the stories were on just for ten seconds, urging the followers to donate for the depicted animal before it was too late.

[22]Roberts C. *Advocacy through social media can be successful - if done the right way*, published on Connecting Up, https://www.connectingup.org/learn/articles/integrating-social-media-advocacy-campaigns-whats-right-mix

Advocacy campaigns can adopt, therefore, several different communication strategies, according to the needs of the organizations and of the process, but always aiming at the same goals: influencing others' opinions and changing policies.

## 2.4 Conflict resolution and mediation

NPOs can also carry out advocacy in conflict situations and this context requires specific strategies and precautions. A communication process employed in conflict situations is, for instance, *negotiation* which aims at finding an agreement point between two or more conflictual parties. The act of negotiating normally produces compromises between the parties and, for this reason, it is very important to gather stable information and analyze all the potential results before starting. Within the negotiation field it is possible to identify the *mediation* process, a dynamic and interactive process in which two conflicting parties are mediated by a third impartial component supporting them for the achievement of a resolution. When an NPO assumes the role of mediator, it has to remain impartial, keeping in mind that the goal of mediation is to make the conflict resolution between two opposite parties easier. The role of mediator has to follow some principles, such as the one of analyzing the issue in all its components, making the understanding more accessible. Moreover, mediators have always to be able to transform opposite positions in needs and interests and to find alternative solutions attuned to both conflicting parties. When advocating for conflict resolution as mediators, furthermore, NPOs have to carry on a very accurate examination of the power that parties hold. This kind of analysis permits to increase awareness about the possible risks of the process and about how the parties can influence final decisions. In order to avoid the potential risks of this act, advocating organizations have always to assess whether the situation is worthy for mediation or not. There are some times, in fact, in which the negative effects of this action can be much more than the potential gains.[23]

[23] Sprechmann S., Pelton E., 2001, p. 88

# Chapter 3.
# Financial Management

## 3.1 Overview of accounting

Financial management is used by nonprofit organizations, as well as by other companies, for monitoring their financial situation. The reason why NPOs need financial management is, in particular, related to accountability: the information concerning the financial status of the organization has to be transmitted, for instance, to fiscal authorities, to funders and to general audiences. Accounting is, therefore, an important component in the management of an NPO.[24]

Accounting can be defined as the set of all the actions measuring, analyzing, documenting and reporting the financial transactions of a company. It ecompasses, in fact, all the operations that take care of identification, measurement and communication of economic information in order to support decisional processes of users or stakeholders.
Accounting is, therefore, related to the following concepts:

- *Record*. Accounting is a systematic way of recording financial information.
- *Legal*. It is important to identify financial rights and obligation of an organization.
- *Performance*. It contributes to the production of financial statements.
- *Planning and control*. Accounting is used to plan the finance of an organization by developing forecasts and budget.
- *Decision*. It influences decisional processes.

Within the notion of accounting, it is possible to distinguish two different directions: on the one hand, the **management accounting** is addressed to users inter to the organization, such as owners, managers or employees, and it is interested in financial as well as non financial information which helps in making decisions within the organization itself; on the other hand, **financial accounting** reports financial information for the analysis of external users interested in the financial situation of the organization. Financial

[24] Anheier H.K., 2003, p. 268

accounting, in fact, aims at providing a reliable and fair picture of the financial position of the organization.

As mentioned before, accounting is related to the production of **financial statements**, i.e. written records of the financial activities of an organization where financial performance, strengths and liquidity are quantified. In particular, three main financial statement types are essential for nonprofit organizations: Statement of financial position, Profit and Loss Statement and Cash Flow Statement.

The **Statement of Financial position**, also known as Balance Sheet, encompasses information concerning assets, liabilities, and Ownership equity of an organization at a given point in time. Assets are what a company owns, while liabilities are what a company owes to someone else. Equity, instead, represents the difference between the assets and the liabilities, i.e. what the organization still owns after having paid off its liabilities.

The **Profit and Loss statement**, also called Income statement, reports the company net profit, income and expenses over a considered period of time. Income is what the organization has gained during the period taken into account, whereas the expenses represent the costs the organization has faced during that period. Net profit, then, is the result of deducting expenses from the income.[25]

The **Cash Flow Statement** reports on cash flow of an organization over a period. In particular, this type of statement takes into account operating activities, i.e. the movements in cash from primary activities of an organization, gains and losses deriving from investments and cash used in business financing.

All these kinds of financial statements are crucial to determine the viability and the profitability of any investment. Profit organizations, in fact, are interested in the analysis of profitability, whereas, on the contrary, nonprofit organizations are more oriented to transparency than profitability.

Even though, with regard to NPOs, accounting also represents the system employed for recording and reporting all the financial transactions of the organization. Nevertheless, as explained in the previous chapters, NPOs do not work to earn a profit for the interest of the ownership and third parties donate them significant financial contributions which have

[25] Romic L., *Financial Statement Analysis*, in *International Journal of Management cases*, Vol.13, Issue 3, Circle Conference, April 2011, Dubrovnik, p. 149

not to be returned.[26] Nonprofit accounting, therefore, follows principles which necessarily partially differ from the ones employed by accountancy of Profit companies.

In this context, it is, thus, essential the concept of **Fund accounting**, which is the system used by nonprofit organizations to monitor the amount of funds received by the donors and the way in which these funds are employed. Fund accounting does not focus on tracking the profit generated by an entity, since NPOs do not aim at generating profits. Fund accounting focuses, rather, on transparency and accountability, i.e. it checks that funds have been managed appropriately and employed for the purposes they were assigned to.

Fund accounting substantially differs from the accounting of profit companies because it deals with funds, i.e. sums of money destined to specific purposes. Funds are conceived with the aim of restricting the field of use of certain financial resources. NPOs receiving funds for a specific purpose have, indeed, to employ them just for the fulfillment of the planned purpose. If, for instance, an organization obtains a contribution destined to Project A, the organization is not allowed to draw on that contribution for Project B or for generic purposes. It has, instead, to employ the considered fund just for the eligible costs of Project A. This mechanism is useful to monitor how funds are employed and it permits external supporters of an NPO to evaluate how successfully that organization is working for a determined goal.[27]

### 3.2 Revenue Generation

**Revenue generation** is one of the most essential activities in any business. The notion of revenue generation encompasses all the activities of a company that aim at marketing and selling products or services in order to produce income.

In the nonprofit field, revenue generation assumes particular nuances, since NPOs are special entities in comparison to common business companies. With regard to nonprofit

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[26] Bragg S., *Nonprofit Accounting*, 28 March 2018, published on Accounting Tools-Accounting CPE Courses and Books, https://www.accountingtools.com/articles/nonprofit-accounting.html

[27] Bragg S., *Fund Accounting*, 3 March 2018, published on Accounting Tools-Accounting CPE Courses and Books, https://www.accountingtools.com/articles/fund-accounting.html

institutions, indeed, revenue generation can be defined as the process of planning how to get the resources needed to accomplish the mission and the purposes of the organization.

The resources received by a nonprofit organization can pertain to different categories and have different origins. The resources can be, in fact:

- **Monetary resources**, such as private or public grant fundings, donations and revenue from sale.
- **In-Kind**, i.e. non-monetary contributions, such as time, free services, material goods, food etc.
- **Labor resources** represented by the volunteers, the employees and all the people working in and for the organization.

Moreover, the resources can have different origins:

- **Public payments**, such as grants and contracts (for instance, the Erasmus+ Programme grants), statutory transfers and third-parties payments;
- **Private giving**, such as foundation giving, business or corporate donations, individual donations;
- **Private fees and charges**, such as fees for services, dues, proceeds from sales of products, investment income.

During the planning of the actions aiming at producing resources, it is always important to monitor how much an activity contributes to the mission achievement and how much it contributes to revenue relative to its costs. In order to put in place an accurate check, the **Portfolio maps** can be a useful tool.

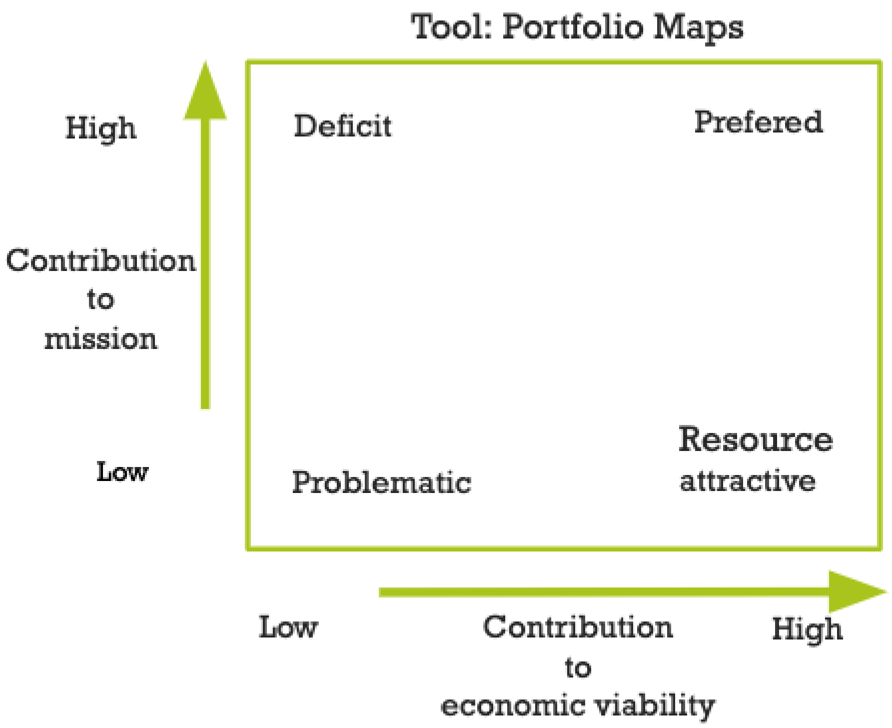


Figure 2.

The figure above describes how the portfolio map works. Its main goal is to support the organization in finding a balance between mission fit and economic viability. The activities placed in the upper right-hand corner of the image are the most suitable both for the fulfillment of the mission and for the economic perspective. Nevertheless, they are also the most difficult ones to establish and to maintain, since they easily attract competitors. In the left-hand corner below, there are, instead, activities that are less attractive in terms of mission fit and economic contributions and organizations have, therefore, to avoid or stop these activities.[28]

As mentioned before, revenue of nonprofit organizations can derive from different kinds of contributions. In the next paragraph we will focus on one of the possible processes for gathering financial contributions, i.e. the fund raising.

### 3.3 Fund-raising

[28] Anheier H.K., 2003, p. 208

**Fund-rasing** is the process of gathering financial contributions to support a nonprofit or charitable organization. If we take into account the whole nonprofit sector, the main part of revenue consists of earned income or public grants and contracts, but private giving still represents an indispensable source for the pursuit of the planned goals and mission. For instance, Salomon (1999: 37) affirms that in the US the private giving contributes about 10 percent of the total revenue of nonprofit organizations, whereas in the UK the 9 percent.[29] In the particular case of charitable nonprofit organizations, instead, private donations can be one of the primary means of income. Fund-raising is, thus, a strategic tool for NPOs, because it permits them to collect more private donations and have, therefore, a major freedom of action in the management of their resources.[30] It can serve as a means by which organizations act to raise potential donors' awareness on an issue and goad them into contribute for it.

Even if the term *Fund-raising* itself seems to be strictly related to the concept of seeking and collecting financial resources, the first and main purposes of fund-raisers has not to be "to raise money", but it has to refer to building relationships and, therefore, "to raise donors". Organizations need, in fact, a stable network of donors who are pleased with the use of donations the NPOs have done and are, therefore, ready to do it again.

Organizations have a wide range of traditional and innovative means to fundraise and they can be usually divided into two main categories: the **individual fund-raising** and the **company and corporation fundraising**. It is also possible to combine the two different types of fundraising through a **multi-channel fundraising approach**: it diversifies the fundraising methods, increasing the possibilities to donate and, therefore, the donors' motivation to contribute.[31] The combination of more integrated strategies for fund-raising seem to be, in fact, the most fruitful solution in the field of fundraising. An example is provided by the following graph depicting the results of a fund-raising campaign for the Lapsed Donor Reactivation conducted by Brewer Direct.

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[29] Salomon S., Lester M., *Global Civil Society: Dimension of the Nonprofit Sector*, 1999, The Johns Hopkins Center for Civil Society Studies, Baltimore, p. 37

[30] Klein K., *Fundraising for Social Change*,1985, Berkeley CA: Chardon Press, p. 1

[31] Decker A., *The Ultimate Guide to Nonprofit Fundraising*, 20 August 2019, published on Hubspot, https://blog.hubspot.com/marketing/nonprofit-fundraising

| | Percent Response | Average Gift |
|---|---|---|
| **Mail Only:** | 1.95% | $37.58 |
| **Mail & Calls:** | 1.99% | $41.04 |
| **Integration:** | 4.45% | $44.45 |

Figure 3. [32]

Fund-raising campaigns can be conducted, for instance, through direct mail, online platforms for donation, mobile donation, organization of events or social media campaigns. Digital and online methods offer quick and efficient ways to promote fund-raising, for example through a "Donate now" button to put on the organization website or by means of social media, such as Instagram, where it is possible to share in Bio a link that takes the followers directly to the fundraising page. Public and private events can also be organized to attempt to raise funds and establish relationships with new donors: art and sport events, music and literature performances, gastronomy tour or wine tasting and all possible kinds of events can become a perfect chance to raise fund, for example charging an entry fee or asking for contribution throughout the time of the event.

In any case, a successful fund-raising cannot be carried out without a previous meticulous planning of the actions to put in place. Before starting a fund-raising action is, therefore, necessary to set the goals, to build a staff provided with the right competences and experiences and to identify the target people or companies to transform in donors. Last but not least, once put in place the strategies, fund-raisers have to be thankful and to show the transparency and reliability of the organization, in order to turn occasional donations into durable stable donors-organization relationships.

### 3.4 Cost Management

A main component of the financial management is **cost management**, i.e. the process of planning and monitoring the costs of a business.

First of all, it is necessary to define the term *cost* which can refer to two different categories: the **fixed costs** and the **variable costs**. The fixed costs are previewed expenses that do not change throughout a determined period. Fixed costs are, for instance, rent,

[32] Figure from *10 for 10, Great Fund-raising Strategies for Nonprofits*, Brewer Direct, 2013, p. 9

insurance, employee salaries, i.e. all those expenses which a company should pay even if it closed for some reason for a while.

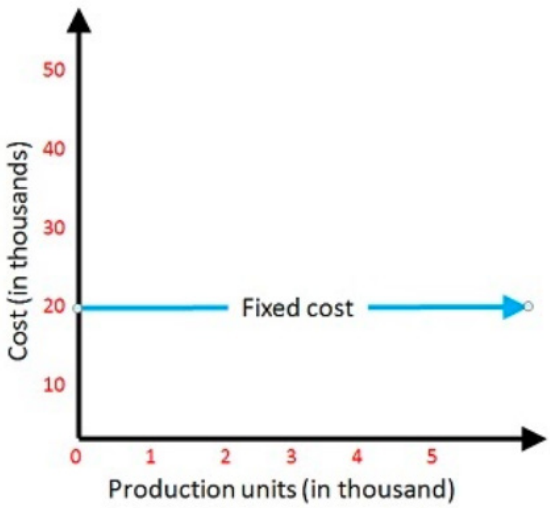


Figure 4.

As shown by the graph above, fixed costs remain the same and do not depend on the outputs or on the performance of the organization.

On the contrary, variable costs are strictly related to the performance of the business, since they change directly according to the production of outputs. Variable costs are, therefore, directly proportional to the units produced by the organization.

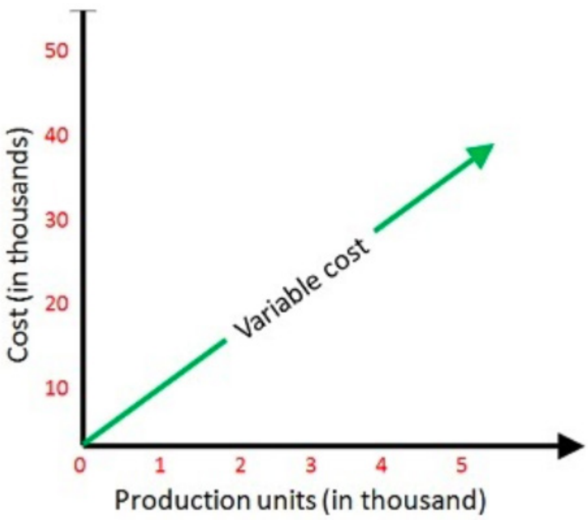


Figure 5.

Variable costs can be, moreover, **direct** or **indirect**. The difference between the two types of costs is that direct costs can be directly traced back to the cost objects, i.e. the items (products, services, projects, ect.) for which the cost has been complied. On the contrary, indirect costs include any expenses not directly connected to a specific cost object. On the one hand, direct costs can be, for instance, salaries for staff members working exclusively on a project or supplies and materials for a specific project. On the other hand, indirect costs can be, for example, costs for general administration or infrastructure.

As well as for all kinds of businesses, in the nonprofit sector, cost management can be a helpful tool to organize the costs of a project, in order to avoid going over budget. During the planification of a project, cost management identifies the expected costs which have to be approved. Then, during the project, it serves to record and monitor all the expenses, in order to keep them within the cost management plan. Furthermore, an accurate true-cost analysis, i.e. an analysis allocating direct and indirect costs in relation to the projects and programs to put in place, and a planified costs management can be crucial for NPOs leaders to make more informed decisions and guide the organizations towards their purposes.

### 3.5 Budgeting

As demonstrated so far, a key component in the management of an NPO is an accurate planning operation. This is valid for the financial management of an organization too, since a part of the board and the staff focusing on the planification of incomes and expenses can be essential to guarantee a successful outcome. In particular, the fundamental operation of creating a plan for balancing the expenses with the incomes is called **budgeting**.

The term **budget** refers to a planning tool estimating expenses and revenues over a specific time period taken into account. The budget reflects, therefore, the programs, the mission and the purposes of an organization. As pointed out by Wildavsky (1986), in fact, «budgeting is translating financial resources into human purposes»[33]. Financial resources of an organization are limited, whereas human purposes are not. The identification of a budget is, thus, an essential operation to combine resources and mission and to find a compromise between the two, analysing the past performances and the future expectation of the organization.

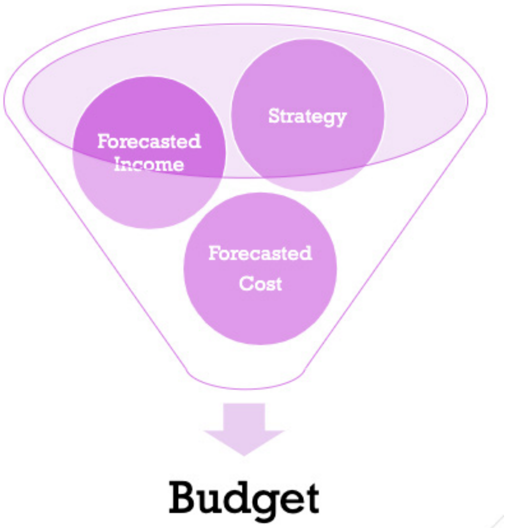


Figure 6.

As depicted by the figure above, the budget can be considered as the combination of the forecasted income, the forecasted cost and the strategies to apply for managing them. The budget is, therefore, a key element of the financial management of an NPO and, in particular, the annual approval of the budget is an essential step to face. In all kinds of organizations, the annual budget is normally identified by members of the staff working for the financial aspects of the organization, but it has to be reviewed and approved by board members of the financial committee. The approved budget has to be considered as a guideline for all the financial operations of the NPO, but it has not to be perceived as fixed and invariable, since it can be subject to changes during the year.[34]

In order to clarify the way in which NPOs can put in place budgeting operations, it is possible to identify the essential steps of the budgeting processes:

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[33] Wildavsky A. B., *Budgeting: A Comparative Theory of Budgetary Processes*, Transaction Publishers, 1986, p. 7

[34] *Budgeting for Nonprofits*, published on *National Council of Nonprofits,* https://www.councilofnonprofits.org/print/570

1. **Timeline**. It is important to define the period of time taken into account for budgeting, which is normally a year. In this way, it is possible to establish an annualized timeline considering all the influencing factors. The most successful strategy requires the completed budget approval two months before the new fiscal year begins.[35]

2. **Budget Committee**. Even if financial committees play a crucial role in determining the budget, it would be really useful to distribute the tasks of budgeting among the various departments that can provide drafts of their specific budget plans. These latter ones can be, then, reviewed and employed by the finance committee to establish the general budget.

3. **Definition of the process**. In order to define the process, it is necessary to identify the income and the costs. In the budgeting process, organization can apply, for instance, an *income-based approach*, (i.e. establishing targets on realistic expectations and considering only the reliable income in the budget), an *incremental budgeting approach* (i.e. by considering the totals of the prior years and calculating the percentage increase or decrease for the new budget) or a *zero-based approach* (i.e. starting from a "zero-base" and justifying each expense for the new period).

4. **Building the budget**. The phase of building the budget is the heart of the process in which it is necessary to identify all the expenses and revenues in relation to the specific programs, the general expenses and all the potential factors to include in the budget. All the different components have to be assembled in order to build a single annual budget of the organization.

5. **Monitoring**. As mentioned before, budget has not to be considered as invariable, since it can be influenced by many factors throughout the whole period it covers. For this reason, it is essential to put in place a monitoring operation, for instance, monthly or quarterly. The responsibility of the monitoring phase can be assigned

[35] Hamilton Foley E., *The Budgeting Process*, 28 July 2010, published on *Nonprofit accounting basics*, https://www.nonprofitaccountingbasics.org/reporting-operations/budgeting-process

to project managers for the budget of each program and to board members for a more general control.

Budgeting is, therefore, a valuable planning tool that can be used by NPOs to plan and organize their future performance and to assess their current financial status.

### 3.6 Auditing

A financial **audit** is a process of objective examination and evaluation of the financial statements of an organization. The goal of an audit is to guarantee that the financial records transparently and fairly represent all the transactions the organization has done.[36]

Audits can be divided into **external** or **internal audits**. On the one hand, external audits are conducted by external parties and aim at checking if financial statements show inaccuracies. This kind of audit may help to take down prejudices concerning the organization and can encourage stakeholders to make more determined and informed decisions towards it.

Internal audits, on the other hand, are carried out by internal auditors employed by the organization. The audit performed by internal auditors is directly addressed to board members of the organization who can use it for making decisions regarding managerial changes and improvements.

With regards to nonprofit organizations, auditing is not an essential process but it may be requested in some cases, for instance by government, donors or fiscal controllers. Furthermore, it could be requested in order to close a partnership, to participate in a call for proposal or during the lifecycle of a project under a program. Audits concerning the nonprofit sector focuses, in particular, on accounting practices, on the organization's internal system of control and on the management information system.[37]

[36] Tuovila A., *Audit*, 14 July 2019, published on *Ivestopedia,* https://www.investopedia.com/terms/a/audit.asp
[37] Ingram D., *Nonprofit Audit Checklist*, published on Chron, https://smallbusiness.chron.com/nonprofit-audit-checklist-5232.html

# Chapter 4.
# Human Resource Management

## 4.1 Human Resource Learning and Development

In order to distinguish them from the financial and material resources, **Human Resources** were defined by Tracey (1991) as «the people that staff and operate an organization»[38]. Human resources consists, in fact, of all the people making up the workforce of an organization. The notion of human resources also refers, nevertheless, to the department of an organization dealing with the workers and the issues related to them: for instance HR sector looks after salaries, compensations and benefits, recruiting processes, training, educational development, company culture, health measures, employees' safety and so on. Human resources, moreover, take care about the impact of the decisions made by managers and board members on the people working for the organization. HR offices play, therefore, a big role in every organization, since they manage the whole human components and influence decisions making processes within the organization.

In the nonprofit sector, Human Resources holds a prominent position in the management of an organization, since NPOs strictly depend on human performances to achieve their purposes. The main goal of a nonprofit organization, in fact, does not consist of the maximization of profit but it is represented by the fulfillment of the mission. NPOs focus, therefore, on non-economic values which can be reached only with steady and accurate human resource management.[39]

In NPOs, as well as in other kinds of organizations, it is essential to pay particular attention to specific sector of Human Resource, i.e. **Learning and Development**, which is a crucial factor for the survival and success of an organization. The qualification of the people working for an organization is, indeed, significantly influential on the quality and quantity of the outputs produced by the organization itself. The Learning and Development subset

[38] Tracey W. R, *The Human Resources Glossary: The Complete Desk Reference for HR Executives, Managers, and Practitioners*, CRC Press, ed. 2003

[39] Eckardstein D., Brandl J., *Human Resource Management in Nonprofit Organizations,* VS Verlag für Sozialwissenschaften, 2004, p. 3

in Human Resource departments has, in fact, the goal of improving the employees' performance by offering tools to increase their skills and knowledge.[40]

Those responsible for employees' qualification have to identify the knowledge gaps and the needs related to the workforce's competence and skills, in order to provide learning tools to fill these gaps. NPOs can, for instance, offer professional training as an important instrument for the improvement of the workforce's qualification. The aim of **professional training** is the one of developing and widening vocational competencies and skills which the worker has already acquired. The main intent of this kind of activity is to increase the matching between the qualifications held by the workforce and the qualification needed by the organization to achieve its mission.[41] The offer of skills development tools should be periodic and regular in every NPO, since it is essential for the improvement of the organization performance and because it can also be an additional appealing factor for new potential workers. Furthermore, NPOs should provide development of qualification processes already starting from the early beginning of an employee's career within the organization: introduction to the organization, project manager training, internal capacity building training are all essential elements to stimulate the potential of new employees. NPOs should also provide space and resources for self-learning, in order to enable workers to get greater results by themselves, and for peer-to-peer practices, in order to develop life-long learning attitudes.

In the context of human resource development, a question which commonly arises concerns the particular personnel structure of nonprofit organizations. As mentioned in the previous chapters and as it will be explained in the next paragraphs, indeed, NPOs are provided with a paid staff, on the one hand, and a volunteer members workforce, on the other hand. With this regard, several NPOs wonder whether the qualification programs organized by the human resource development subset have to be extended to the unpaid staff too. Volunteers working for an organization, in fact, normally spend less hours than paid employees at work and commonly remain for a limited period of time. If considering the question from an economic perspective, there are more arguments against the inclusion

[40] *What is Learning and Development?*, published on *HR Zone*, https://www.hrzone.com/hr-glossary/what-is-learning-and-development

[41] Eckardstein D., 2004, p. 7

of the volunteers in the learning and development programs of the organization. On the other hand, excluding the unpaid staff from the qualification processes would implicate the existence of two different qualification categories and would oblige unpaid staff to carry out easier and less important tasks than the paid one. A decision concerning this question, therefore, depends on the needs and the mission of the organization and have to be made evaluating all the factors and the circumstances of the case.

In the learning and development processes, NPOs have, in any case, to make both the staff members and the volunteers aware of their contribution and, thus, translate the feedback into personal and organisational learning. NPOs have, moreover, to promote peer-to-peer practices on lifelong learning and introduce self assessment tools to address personal and professional performance to increase responsibility and continuous improvement in organisational capacity.

## 4.2 Leadership

The notion of **leadership** in NPOs has often attracted a lot of attention, since it opens a particular scenario on the nonprofit sector, being related to the concepts of *power* and *authority*. These latter notions, indeed, struggle to establish themselves in the nonprofit context, which is founded on the alignment to certain specific values and behavioural principles. In such cases, therefore, leadership is not just related to job performances but also to personal commitment and values.[42]

The definition of leadership is not univocal because it encompasses several different aspects having in common the relation between one person and a group of people. Leadership can be defined, indeed, as «a behavioral process in which one person attempts to influence other people's behavior toward the accomplishment of goals»[43]. It is also considered as «the art of motivating a group of people to act toward achieving a common goal»[44]

[42] Anheier H. K., 2003, p. 160

[43] Tannenbaum R., Massarik F., Weschler I. R., *Leadership and Organization. A behavioral science approach*, McGraw-Hill Book Co., New York, 1961, p. 24

[44] Ward S., *The Definition of Leadership. What Is Leadership? And Can You Learn to Be a Good Leader?*, 3rd January 2020, published on *Small Business*, https://www.worldcat.org/title/leadership-and-organization-a-behavioral-science-approach-by-robert-tannenbaum-irving-r-weschler-fred-massarik/oclc/504457549

It is possible to identify different types of leadership, according to the way in which leaders behave and make decisions. A basic differentiation divides leaderships into three categories:

- *Autocratic leadership* does not involve employees in decision making, it imposes them work methods and performance criteria and gives punitive feedback;
- *Democratic leadership* involves the group in decision-making, shares the power and gives constructive feedback;
- *Laissez-faire leadership* leaves the group free in the decision-making process within the respect of the organization values.

The concept of leadership does not only involve the aspects concerning decision making, guiding and planning but it is also strictly related to social and personal affective components, such as motivation and inspiration. It is, indeed, possible to identify other three categories describing potential leadership styles:

- *Charismatic leadership* depends on the leader's personal characteristics which can inspire dedication, faith and pride in the group.
- *Transformational leadership* motivates the staff to pursue the common goals and to put aside personal interests.
- *Transactional leadership* tries to maintain the alignment between the mission of the organization and the employees' motivations.[45]

Apart from the distinctions among the potential types of leadership, it is possible to recognize some basic tools that leaders have to employ:

- **Feedback** is essential in leadership processes because it is the evaluation of a behavior as soon as possible after it has been observed. It is an important instrument to make people aware about the positive contribution they give and about the gaps to correct or to improve.

[45] Anheier H.K., 2003, pp. 161-163

- **Employee evaluation** consists of the collection of information about the achievements and behaviours of the employee taken into account. Recording and collecting this kind of information promote the discussion and analysis of the past performance with the person concerned.
- **Performance discussion** is strictly related to the point described before and can be carried out annually in order to outline a general overview on the performance of the employee within the organization.[46]

In order to guarantee the success of their work, nonprofit leaders have to maintain a broad-spectrum monitor action, focusing in particular on the internal organization, such as the paid and unpaid staff structure, on the the external organization, for instance relationships with donors and other partnerships, on present operations, such as the projects carried on in that moment, and, then, on future potential possibilities, i.e. opportunities that can be crucial for the organization.[47]

### 4.3 Motivation

As explained in the previous chapters, nonprofit organizations do not aim at the production of profit but they pursue the achievement of goals. **Motivation** is, therefore, a basic and essential component for their success. Both in NPOs and in normal businesses, in fact, a motivated staff is a key factor to be successful, but in nonprofit organizations motivation can open two different and opposite scenarios. On the one hand, indeed, nonprofit organizations often have a limited budget and motivating competent people to remain within the organization by means of benefits and compensations can be challenging. Once acquired appetible competence, in fact, employees can easily move to bigger NPOs or to the profit sector. On the other hand, people applying to work in a nonprofit organization, both to be paid staff or volunteers, are commonly already motivated by passion, purposes, and by the desire of pursuing a meaningful career not just based on the income.[48]

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[46] Eckardstein D., 2004, p. 7

[47] Anheier H. K., 2003, p. 163

[48] *The Key to Motivating Non-profit Employees,* published on *SUMAC*, https://www.sumac.com/key-motivating-non-profit-employees/

This means, on the one hand, that managers have less pressure coming from the need of motivating employees, but, at the same time, they also have less influence on people working for the NPO, especially if volunteers, because these latter ones have the freedom to determine how and how long to work within the organization.[49]
Nevertheless, there are means by which managers can increase staff's motivation, such as delegating tasks and responsibilities, offering learning and development opportunities, making people identify themselves in the mission, giving regularly positive or constructive feedback.

### 4.4 Volunteers management

**Volunteer management** refers to the processes of recruiting, training and coordinating people offering unpaid work within a nonprofit organization. As mentioned before, in fact, NPOs have a mixed staff dived into the two categories of paid employees, on the one hand, and volunteers, on the other.
Volunteering can assume various forms and encompasses a wide range of different activities. Volunteering can, in fact, be carried out in informal contexts, i.e. taking place outside organizational frameworks or in small associations and groups where voluntary activities do not assume a specific and recognized role. In the case of NPOs, volunteers normally hold, instead, formal and defined positions, since they provide unpaid contribution of time to the organizations.[50]

The activities that volunteers carry out are not only easy tasks free from responsibilities. Volunteering can be placed, in fact, in all the levels of an organization hierarchy, since even leading positions are often held by unpaid personnel. The tasks and the activities assigned to voluntary staff, indeed, depends on the NPO choices and on the importance attributed to this part of the team by the organization.

[49] Eckardstein D., 2004, p. 3
[50] Fiorillo D., Nappo N., *Formal and informal volunteering and health across European countries*, ZBW - Leibniz Information Centre for Economics, 2014, p.1

Regardless of the positions held by volunteers within an organization, it is possible to recognize three main types of motivation stimulating unpaid staff: altruistic, instrumental and obligatory motivation.[51]

- **Altruistic motivation** is based on notions such as solidarity, philanthropy, identification with suffering and disadvantaged people and will to change the conditions of people in adversity.
- **Instrumental motivation** involves personal satisfaction, the will of collecting experiences, meeting new people, establishing networks and raising competence.
- **Obligatory motivation** is founded on reasons related to religion, faith, political duty, necessity to repay a debt to the society.[52]

Of any type it is, motivation is an essential component that managers have to keep in mind during their volunteer management work. The volunteers management, however, includes several steps which have to be carried out and that can be listed as follows[53]:

- **Recruitment** is the first phase in which NPOs have to find the right volunteers according to the skills and competence needed by the organization. Finding several matching points between the requirements of the mission and the qualification of the candidate is the perfect opportunity to increase the quality and the productivity of the organization.
- The step of the **engagement** is very important, because it serves to make new people aware about the contribution they can give to the organization and let them feel useful and comfortable within it.
- **Retention** of volunteers is one hard step on which managers have to focus maintaining constant connections with the volunteers, giving feedback and being available for clarifications and responses needed by them. Retention can also be

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[51] Barker, D. G. (1993), *Values and volunteering*. In: Davis Smith, J. (ed.), *Volunteering in Europe: Opportunities and Challenges for the 90s*, The Volunteer Centre UK, Berkhamsted p.28

[52] Anheier H.K., 2003, p. 223

[53] *What is Volunteer Management?*, published on *CFI*, https://corporatefinanceinstitute.com/resources/knowledge/other/volunteer-management/

put in place by means of an efficient communication system which allows board members and volunteers to communicate information to each other.

- Last but not least, **monitoring** is an important component of volunteer management, which permits managers to have an overview of the tasks, the programs and projects carried out by the volunteers and of the progress and achievements of their work.

### 4.5 Conflict resolution approach

As well as in all kinds of institutions, businesses and organizations, even in NPOs internal conflicts can occur. Neglecting them does not benefit anyone, but it rather damages the internal ambiance of the organization. For this reason, it would be suitable for managers and board members of an NPO to assume a **conflict resolution approach** and maintain it as a settled principle within the institution.

The Human Resource team of an organization has the responsibility to set up and implement a system of conflict management. It also should promote the employees' communication on conflicts and measure the costs of conflict resolution efforts.[54] An immediate communication of the issues can be, in fact, crucial to seek a solution before the conflict turns into a more complicated affair concerning different employees or departments. In many cases, however, Human Resource teams are not informed about the question before it has already escalated and, for this reason, the employees' role is essential to prevent such situations. Nevertheless, employees' behaviour is normally inspired by a stable workplace culture grounded on policies, code and approaches designed to avoid conflictual situations.

If a conflict resolution context, some various attitudes are suggested to the whole staff in order to safeguard a comfortable and pleasant atmosphere at the workplace. For instance, employees and board members can adopt both an accommodating and a competing attitude: the first one to give priority to others' interests and the second one, on the contrary, to defend their own position. Both attitudes have to be assumed keeping in mind

[54] *Managing Workplace Conflicts*, published on *SHRM*, https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managingworkplaceconflict.aspx

the main goal of preventing conflictual situations and not to produce uncomfortable circumstances. Further attitudes that staff members can adopt in order to avoid issues are, for instance, the avoiding, the collaborating and the compromising approaches. The avoiding approach is based on moving away from potential conflicts; the collaborating approach, instead, implicates a collaboration between the conflictual parties with the aim of finding a solution; the compromising approach, meeting point between the previous two ones, attempts to establish a solution partially accepted by all the parties in conflict.[55]

To sum up, then, the adoption of a conflict resolution approach and the establishment of conflict managing policies is a key component for the success of an NPO because it can prevent several negative effects deriving from conflicts, such as worsening of performance and productivity, work disruption or absenteeism.

### 4.6 Community-based approach

If the conflict resolution approach described before concerns how to manage relationships and issues among the people working within the organization, the **community-based approach**, discussed in this paragraph, regards, instead, how organizations involve the external community in decision making processes. The community taken into account in this case is, in particular, the group of people affected by the issue which motivates the work of the organization.

The community-based approach, in fact, enables the community to take part in the design of programs and projects, in the establishment of measures to find solutions and achieve the mission. Thanks to this kind of approach, indeed, external community members turn into real key partners of the organization and support it in the development of strategies and actions to put in place.
A valid example is provided by UNHCR that works in partnership with the so-called «persons of concern»[56], enhancing their competence, skills, personal experience and resilience and considering them essential instruments for the achievement of the planned

[55] Gleeson P., *Five approaches to Conflict Resolution, 29th January 2019*, published on Chron, https://smallbusiness.chron.com/five-approaches-conflict-resolution-21360.html

[56] *A Community-Based Approach in UNHCR Operations*, January 2008, UNHCR, p. 14 https://www.refworld.org/pdfid/47da54722.pdf

purposes. Moreover, UNHCR recognizes, by means of this approach, people's right to participate in decisions making and to transparency by the organization providing them humanitarian assistance. In this way, the targeted people will be better protected, since the adopted measures will respond to their direct requirements and the humanitarian resources will be used in a more efficient way, avoiding any possible waste.

# Chapter 5.
# Monitoring and Evaluation

## 5.1 Concept of Monitoring and Evaluation

The concept of **Monitoring and Evaluation** (**M&E**) refers to a set of processes put in place to assess the performance of projects and programs carried out by an NPO. The main goal of these processes is the one of improving current and future outcomes, impact and general performances.

In particular, **Monitoring** is the regular process of collecting and analysing current information concerning the projects taken into account, in order to track their progress and identify the right tools to manage them and reach the planned goals. The activity of monitoring starts at the beginning of a project and is conducted throughout its duration. It provides, therefore, an overview of the implementation stage of a project, tracking all the activities, documentation, financial resources, supplies and equipment.

With regards to the concept of **Evaluation**, it refers to the process of assessment of a completed project or program. Evaluation especially focuses on the matching between planned and accomplished achievements, analysing the set of results and trying to understand the potential reasons of lack of achievement. The goal of evaluation is, therefore, projected in the future, since it aims at providing necessary information and demonstrations to influence future decision making. The data provided by evaluation should be evidence-based and, thus, reliable and objective.[57]

Monitoring is usually carried out by internal staff members of the organization or by project partners tracking the activities and the progress of the project. Evaluation can be performed both by project staff and by external agencies or by the combination of both parties. With regards to both monitoring and evaluation, it is possible to point out that the more objective the evaluator is, the more reliable the evaluation is. For this reason, in particular concerning evaluation, external evaluators bring a surplus of trustworthiness, objectivity and technical expertise to the assessment.

[57] *What is Monitoring and Evaluation?*, 31st October 2010, published on *UN WOMEN*, https://www.endvawnow.org/en/articles/330-what-is-monitoring-and-evaluation-.html

Monitoring and Evaluation, in particular, is essential in the management of the projects developed within an NPO because:

- It provides a transparent summary of the progress of a project;
- It permits staff members and external partners to learn from each other and from their experience;
- It improves the transparency of an organization making it more trustable for stakeholders;
- It sheds light on the importance of the link between project implementers and beneficiaries;
- It builds a more stable basis for fundraising and influencing decision makers.[58]

Since Monitoring and Evaluation represents two embedded components but with different characteristics, the following table shows the differences between the two processes and clarifies their goals.

| MONITORING | EVALUATION |
|---|---|
| Commonly Internal | Both Internal and External |
| Ongoing | Mid-term/Final |
| Checking progress/Taking remedies | Providing accountability |
| Inputs, activities, results | Results, overall achievements |

## 5.2 Indicators

Indicators are essential components of any Monitoring and Evaluation activity. They are, indeed, quantitative and qualitative metrics providing information concerning the performance, achievements and accountability of a project. It means that indicators provide datas regarding the efficiency and effectiveness, the successful accomplishments of the planned goals and the responsibility for the performance of a project.

[58] *Why is Monitoring and Evaluation important?*, published on *sportanddev.org*, https://www.sportanddev.org/en/toolkit/monitoring-and-evaluation/why-monitoring-and-evaluation-me-important

Indicators have to be evident and concise, focusing on a single issue to clarify a particular situation. Moreover, they have to be feasible, i.e. they have to be able to measure what they claim to measure. The data that they provide have to be reliable and objective, in order to make the indicator useful for the assessment. The three most significant factors determining the credibility of the data provided by an indicator are the following ones:

- «**Validity**: The extent to which a measurement or test accurately measures what is intended to be measured.
- **Reliability**: The consistency of the data when collected repeatedly using the same procedures and under the same conditions.
- **Bias**: Any effect during the collection or interpretation of information that leads to a systematic error in one direction.»[59]

Indicators can be divided into two categories: **quantitative indicators** and **qualitative indicators**. On the one hand, quantitative indicators, also known as *Output indicators*, point out numerically whether a planned action or a project is occurring and evolving as intended. An example of a quantitative indicator provided by UNAIDS is, for instance, the percentage of HIV-positive pregnant women who received antiretroviral drugs.
Qualitative indicators, on the other hand, also called *Performance indicators*, commonly refers to extents of changes. This kind of indicator, therefore, is a non-numeric indicator expressing the level of progress towards a specific planned purpose.

For the Monitoring and Evaluation processes of an NPO, among the most compelling categories of indicators, it is important to consider **Key Outcomes Indicators** and **Key Results Indicators**.
KOI, in particular, focuses on the results of completed activities, i.e. changes in the attitude or improvements of skills and knowledge. This kind of indicator collects data related to the results and concerning, especially, what the beneficiaries of a project have learned, which factor has produced a change, which new actions have been implemented and the level of cooperation among the participants.
With regards to KRI, they take into account some factors of performance such as the following ones:

[59] Rugg D., *An Introduction to Indicators*, UNAIDS, p.15
https://www.unaids.org/sites/default/files/sub_landing/files/8_2-Intro-to-IndicatorsFMEF.pdf

- **Sustainability**: how did the project impact sustainability and how the issue can be addressed in the future?
- **Effectiveness**: Did the project meet the goals?
- **Efficiency**: How was the performance in relation to costs and available resources?
- **Relevance**: Was the project relevant? Who was it relevant to? Did it produce collateral effects?

Both for Monitoring and Evaluation, it is important to identify the right indicators to take into account at an early stage, i.e. even before starting a project, in order to guarantee that the considered indicators will be adequate for the action that has to be implemented.[60]

### 5.3 Reporting

Reporting is the final step of the M&E process. It consists, in fact, of the documentation of Monitoring and Evaluation results and the presentation of them to a specific audience. In the reporting phase, organizations share project results with participants, project partners, donors and community organizations. Before starting a reporting activity, the timeframe to keep into consideration and, especially, the purposes to reach have to be clearly identified and determined. The success of a reporting activity is crucial for the image of an organization, since it determines the transparency and accountability of the organization itself. Reporting documents allow organizations to keep stakeholders engaged and informed, gaining in this way their trust and support.

To ensure an accurate reporting activity, the following suggestions have to be kept in mind:

- Writing down main conclusions, experience and lessons identified during the project;
- Using testimonies and key facts as evidence;
- Choosing carefully the facts and illustrations to support the presented argumentations;
- Including a table of contents and executive summary;

[60] *Identifying indicators for monitoring and evaluation,* 7th May 2017, published on *Coast Adapt*, https://coastadapt.com.au/how-to-pages/identifying-indicators-monitoring-and-evaluation

- Assuming an advocate /critic /detached /analytical tone;
- Sharing stories or examples to clarify ideas
- Specifying pending topics for further feedback.

The information collected in reporting documents have, then, to be made available for the consultation process.  It is, therefore, important to determine which information needs to be made consultable and which stakeholders it should be addressed to. Moreover, it is crucial to translate the reported information into the local language or into the communication language used by the stakeholder taken into account, in order to make the achievement of the planned purposes easier: for instance changing decision makers' minds, establish new partnerships or gain the trust of new donors.

## Conclusion

In conclusion, this toolkit has the aim to help all civil society organizations that work with Syrian refugees to create their own structure. It is a tool that everyone can use in which you can find information about non-profit organization.

This toolkit collects information in order to improve governance and institutional capacities of civil society organizations and all the associations/organizations that started to provide aid and services in areas where there was a need related to the Syrian asylum seekers.

Thanks to the toolkit, Organization will be able to better organize activities. Moreover, they will be able to overcome financial and human resources lacks that until now restrained them from engaging in large scale, regular, planned activities. Hopefully, they will create a long-term strategic plan to strengthen their effectiveness and capacity to reveal and provide solutions to deep rooted causes of the problems.

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