

**An Open Letter to Institutional Funders Interested in Facilitating Nonprofit  
Organization Capacity Building**  
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## **Establishment of a Training & Mentoring Fund**

We propose the establishment of a fund to be administered by one or more institutional funders. This fund will complement additional funds targeted to capacity building. The priority target agencies for this financial assistance will be organizations that serve the homeless community, the disabled community, the youth community, communities of color, and/or those communities that are impacted by welfare reform.

### **Purposes of the Fund**

The Training and Mentoring Fund (TMF) would be used in two ways: 1) to provide community based organizations (CBOs) with **training** opportunities to build expertise within the agency; and 2) to provide incentives for larger, established CBOs to **mentor** smaller, start up CBOs. This would provide the following primary benefits:

- To build basic administrative foundations in CBOs thereby allowing them to focus more on services;
- To enable CBOs to take a longer term look at their mission, purpose, clients, and services; and
- To create mutually beneficial linkages between agencies providing social services.

**Training:** The Fund would subsidize training opportunities on three levels for CBOs. Qualified consultants with a track record of helping nonprofits become more sustainable would provide the training. They would utilize a team capacity building model. The team would have varied expertise in fund development, process and systems management, community engagement, earned income venture development, marketing, and technology. The team members would have evolved a holistic approach towards assessing and improving organizational capacity. The team assesses and makes recommendations for creating or improving financial and operating systems, fundraising and volunteer management, communications, operating, policy, and procedure manuals, et al.

This project is designed to provide opportunities for CBOs to receive training to meet their particular needs, acknowledging that “one-size-fits-all” is not appropriate to address the diversity of the CBO community. We envision that the three levels would look like the following:

- Level One provides basic organizational support to small CBOs and/or newly emerging CBOs such as those evolving out of our immigrant communities, serving at-risk youth, domestic violence victims, etc. Its focus will be on assisting with basic business and financial management systems (budget, bookkeeping, cash flow), grant writing, board recruitment/roles/responsibility, staff development/employment issues,

volunteer issues, start up issues (incorporation/bylaws/tax exempt status), basic program planning and etc.

- Level Two allows existing CBOs to access tools that would enable them to become more stable in the short run with an eye toward the future. The focus will be less on the basic business/organization needs and more on long term planning and enhancing the use of technology as well as training people in the organization in issues related to the organization's mission. Examples of training at this level are: diversified fundraising strategies; legal issues; recruiting; hiring and retaining quality staff; team building; communicating across cultures; building and sustaining diversity; technology issues (computers, software, the internet, etc); marketing; strategic planning; advanced program planning; outcomes measurement; board development/leadership; etc.
- Level Three would be advanced training in innovative, entrepreneurial approaches to their organizations. Specifically, this level deals with the development of entrepreneurial capacity building, including the possible generation of new businesses. The bridge between levels two and three is the entrepreneurial audit process, a self-assessment of internal entrepreneurial capacity and willingness to change. The goal is to utilize the existing assets of the organization to increase earned income. The advanced training would consist of developing an internal entrepreneurial team, locating a market niche(s) and developing a business feasibility study, creating a sound business and financing plan, business management, advanced marketing, and identifying future opportunities.

**Talent Bank:** The fund would also be used to support the creation and operation of a "talent bank" to allow larger, more established CBOs to mentor and help develop smaller, newer agencies. CBOs are accustomed to describing their problems and challenges; they are seldom, however, given the opportunity or ample compensation to discuss and promote best practices and to showcase their resource offering capacity. Stipends will be paid to agencies that mentor small agencies in specific activities. For example, the Funder(s) would pay a large CBO to be a fiscal agent for a smaller CBO. This arrangement can be advantageous to both agencies and will further encourage the CBO community to work together in identifying and addressing mutual challenges and opportunities.

In order to further support this capacity building, the administrators of the Fund would facilitate mentoring linkages with qualified consultants with a track record of helping nonprofits become more sustainable.

#### **Expected Accomplishments**

- Increased capacity in small agencies serving recent immigrant communities and other vulnerable populations.
- Increased collaborations between larger and smaller agencies to provide mentoring and managerial assistance.
- More efficient and effective organizations resulting from receiving the appropriate type and level of training.
- Preparation of some agencies to undertake entrepreneurial ventures.