



Capacity Building Competencies

In a nonprofit, **capacity** is defined as **knowledge** or **resources** that give an organization the ability to perform its activities and execute its vision. **Competencies** are the **actual demonstration** or **performance** of that knowledge and resources. For example, such results could include raising more money and serving clients more effectively and efficiently.

Here are the four main capacities that a healthy nonprofit will demonstrate, along with some specific ways they can be measured. Compare your organization's core capacities to those listed below. It turns this summary into a great tool for the Board to use to evaluate the organization.

Adaptive Capacity

The ability to monitor, assess, respond to, and stimulate internal and external changes, including:

- Easily understood and compelling vision, mission, purpose and values statements
- A written strategic plan that is referenced and updated on a regular basis
- Staff and volunteers who actively embrace their roles as “change agents”

Leadership Capacity

The ability of all organizational leaders (senior executives and board members) to work well together, inspire, prioritize, make informed decisions, provide direction, and innovate in a concerted effort to achieve the organizational mission, including:

- Board members who understand and embrace their roles and responsibilities
- A President/Executive Director who is an experienced manager and a respected leader
- A healthy team spirit among Board members and a sense of partnership with staff and volunteers

Management Capacity

The ability to ensure the effective and efficient deployment of organizational resources, both human and financial, including:

- A written resource development/funding plan
- A written communication and promotions plan
- Written volunteer and personnel manuals, including specific job descriptions

Technical Capacity

The ability to actually perform key operational functions and deliver programs and services, including:

- A system of sound financial practices and management tools (including a donor relationship database)
- Professional development training available for board, volunteers, and staff in key areas of programs and services
- An understanding of what clients consider valuable and a method for recording and using such feedback for future planning

This is a great assessment for the Board to use as a review of the organization at budget time when making funding decisions, while creating/updating the Strategic Plan, or evaluating the President/Executive Director.