

# UNITED WAY OF GREATER ST. LOUIS QUALITY STANDARDS

## UNITED WAY'S QUALITY STANDARDS:

- assure United Way donors that their contributions are efficiently utilized to help people in need;
- assist member agencies (and all non-profits) in structuring themselves in a manner conducive to providing consistent, effective, needed, and continuously improving services to the community; and
- encourage sustainability, growth, and development of non-profit organizations and serve as a catalyst for coordination and cooperation between agencies.

The Quality Standards represent United Way's values and belief system about how non-profits should operate. As stewards of the community's trust and contributions, United Way volunteers carefully assess each member agency using the Quality Standards and their collective knowledge to determine whether an agency has demonstrated achievement of a standard. With the Quality Standards as the basis for membership and funding decisions, volunteers ensure donors that contributed dollars are well-spent.

The Quality Standards are divided into four performance areas: Program, Governance, Finance, and Administration. United Way believes that a non-profit agency will increase its ability to positively impact the lives of its clients when it is organizationally strong. An organizationally strong agency has a Board of active and diverse leaders who set a strategic direction and provide oversight; has programming that is well designed, well implemented, and includes a quality improvement process; is financially stable, accountable, and maximizes resources; and has sufficient infrastructure and capacity.

## PROGRAM

### The agency's mission and programs address an important and defined community need

- Statistical data documents the need for the agency and each program
- The target population is defined

### Programs are effectively designed

- Programs offered are consistent with the mission
- Programs are consistent with the strategic direction
- Programs have defined goals
- Programs use interventions that are accepted within the field of service as best practices
  - Innovation in programming is encouraged
- The agency sets a target for the number of service delivery units prior to the beginning of a year
- The agency sets target for the acquisition of outcome goals prior to the beginning of a year
- Measurement protocols are structured to collect information on clients, services provided, and outcomes
  - Standardized evaluation tools are used to gather and analyze outcomes for clients served whenever feasible

- Services are accessible to target population:
  - Geographically
  - Physically
  - Financially
- Proactive action is taken to implement improvements identified in analysis of program assessment results or changes in needs of target population

### Programs are effectively implemented

- Programs are delivered according to program design
  - The program reaches the target populations
  - The program serves an appropriate number of clients
    - The number of clients served constitutes a critical mass
    - Penetration of the target population is consistent with agency resources
  - Variances between the planned and actual program implementation are analyzed
- Written policies and procedures exist for each program

### Programs have positive impact

- Programs are measured/assessed
  - Data is collected on all direct contact clients, including:
    - Demographic data including, at least:
      - ▶ Gender
      - ▶ Race/ethnic composition
      - ▶ Age
      - ▶ Annual household income
      - ▶ County of residence
    - Activities provided/units of service
    - Outcome results
- Assessment results are aggregated and analyzed to determine overall program effectiveness, including:
  - The extent to which expected outcome results were achieved
  - Compare favorably to similar programs, benchmarks, or accreditation standards
  - The extent to which program modifications should be made in response to analysis

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## GOVERNANCE

### The agency is governed by a Board of active volunteers

- The Board has a sufficient number of volunteers to fulfill its responsibilities
  - Membership is composed of no fewer than 12 volunteers
- Meetings occur frequently enough to fulfill the Board's responsibilities
  - In a 12 month period a minimum of four meetings, at least one per quarter, are held
- The Board operates in accordance with bylaws
  - Bylaws are periodically reviewed and revised, as necessary, to be consistent with the agency's strategic goals
- The Board has sufficient policies, procedures, and rules to guide it in its decision-making processes, including:
  - Meeting minutes reflect actions taken and are recorded, distributed, and retained
  - Members have staggered terms
  - A rotation policy for both officers and members is in effect
  - The Board has established attendance and participation requirements
  - Members serve without compensation, other than for reasonable reimbursement of expenses associated with carrying out Board service
  - Paid staff are not voting members of the Board

### The Board is comprised of members who will meet the agency's strategic needs

- The Board membership is committed to helping the agency fulfill its strategic goals, as characterized by:
  - Expertise in resource development, program development or evaluation, finance, personnel, public relations, or the field of service
  - Ability to represent the agency, advocate on behalf of the agency's mission, and provide accountability to the community
  - Ability to provide input to the agency on community issues which affect accomplishment of the agency's goals
  - Demonstrated interest in the work of the agency and commitment to its goals
  - Willingness to support the agency in its fundraising efforts
  - Willingness to carry out assignments within some area of special talent, competency, or interest
  - Willingness to attend Board and committee meetings
- Written statements identify Board member expectations, responsibilities, guidelines, and goals for members of the Board
- The Board membership is diverse in a myriad of areas, such as:
  - Expertise; race/national origin; gender; age;

geography; religion; length of service; client/consumer/stakeholder

- The Board implements planned action steps to achieve membership goals
  - The Board periodically reviews the characteristics of its membership
  - Identifies potential new Board members
  - Cultivates and recruits new Board members
- New Board members are oriented to the agency and about their responsibilities, in areas such as:
  - The agency's history
  - The field of service and target population served by the agency
  - Program service delivery models
  - How the agency judges its effectiveness and impact on clients served
  - Highlights of not-for-profit accounting and how to read financial statements
  - The roles and duties of Board members and staff
- Ongoing training and education of its members is conducted
- The Board conducts a periodic evaluation of its individual and collective performance
- Future Board leadership is nurtured and developed to ensure proper experience and commitment by potential future officers and committee leadership

### The Board has a formally organized structure

- Volunteers are assigned, according to their skills and expertise, to provide in-depth oversight and recommend action to the Board, in these areas:
  - Program structure, effectiveness, and evaluation
  - Financial position and stability, audit, and investments
  - Board development, recruitment
  - Development and fundraising of public support dollars
  - Legal and human resources
- Each committee has a clearly defined role and objectives
- Committees operate in a manner to ensure:
  - legal and ethical integrity
  - accountability
  - effective organizational planning
- The membership of each committee includes at least one Board member
- Committee meeting minutes are maintained and distributed
- Each committee regularly updates the Board on its work and recommends action as needed
- Each committee evaluates its performance periodically
- The Board appoints ad-hoc committees, as needed, to address short-term projects or objectives

### The Board sets the agency's strategic direction

- The Board is actively engaged in planning for the agency's future
  - The agency's mission is reviewed and revised, as necessary, considering factors such as:
    - Client/consumer/stakeholder needs
    - Professional standards
    - Governmental regulation
    - Providers of like or similar services
    - Technology
  - A specific strategy to achieve the mission is developed
    - The plan integrates the agency's activities with the mission
    - The plan includes the following areas:
      - ▶ Program structure, effectiveness, and evaluation
      - ▶ Financial position, financial stability, the structure and appropriateness of fees for service, and the availability of adequate financial resources
      - ▶ Organizational effectiveness and development
      - ▶ Other categories, as needed (i.e., facilities, technology)
    - The plan contains goals and measurable objectives
    - The plan prioritizes the goals and objectives, and develops timelines for their accomplishment
  - Progress made toward achieving the plan's goals and objectives is regularly evaluated

### The Board ensures program effectiveness

- The Board receives program reports detailing units of service and outcomes at least semi-annually
- The Board approves expansion, creation, and closure of programs, as needed

### The Board provides financial oversight

- The Board has an effective planning process to ensure the short and long term financial stability of the agency
  - A written budget on the program level is approved prior to the beginning of a fiscal year
  - Financial goals are included in the strategic plan
  - The Board ensures adequate financial resources
- The Board receives and approves financial reports at least quarterly
- The Board takes action to revise the agency's budget, as needed
- The Board approves financial policies
- The Board approves the audited financial statements and reviews a management letter that accompanies the audit
- The Board ensures appropriate internal controls are in place to protect the agency's assets

**GOVERNANCE**

**The Board ensures legal and ethical integrity**

- The Board ensures all legal requirements are met
- Policies are applicable to the organization and are consistent with the agency's strategic goals
  - Policies are periodically reviewed and revised, as necessary
  - An internal audit is periodically conducted to ensure policies are being followed
- The Board adopts a code of conduct and ethics for itself and the agency's employees and volunteers, including policies on:
  - Acceptance of gifts
  - Conflicts of interest
  - Compliance with laws
  - Whistle blower protection
  - Prohibition of unlawful harassment
  - Prohibition of unlawful discrimination

**The Board is accountable to the community**

- The agency makes available to the public an annual report of programmatic and financial data
- The agency undergoes an audit of its financial statements by an independent, certified public accountant who is approved by the Board
  - An unqualified opinion is issued on the audited financial statements
- Financial information submitted to United Way, other funders, and the community is consistent with the figures presented in the audited financial statements
- Programmatic information submitted to United Way, other funders, and the community is consistent with internal documentation
- Supporting services expenses (management & general and fundraising) are under 25% of total revenue

**The Board establishes policies for the effective management of the organization**

- The Board hires and retains the Chief Professional Officer (CPO)
  - A written job description and list of position qualifications for the position of CPO exists and is reviewed and updated as needed
  - A careful search process to find the most qualified person for the position is undertaken
  - Professional support is provided to the CPO, so that he/she can further the goals of the agency
  - The CPO's performance is formally evaluated annually
- The Board periodically reviews the appropriateness of the overall compensation structure of the organization
- The Board periodically reviews and updates the agency's personnel policies and procedures

**ADMINISTRATION**

**The agency complies with laws and regulations**

- The agency is incorporated as a nonprofit organization or is a part of a larger agency that is incorporated as a non-profit organization:
  - The agency possesses a letter of exemption from federal taxes under Section 501(c)3 Internal Revenue Code and maintains its tax exempt status
  - The agency is authorized to do business in the state(s) of Missouri or Illinois
- The agency is fully licensed by the appropriate federal, state, and local licensing authorities to operate its business at its locations
- The agency complies with applicable federal, state, and local laws, including but not limited to:
  - Non-discrimination in public facilities and services
  - Human resources
    - Non-discrimination in employment
    - Minimum wage and overtime
  - Taxation
  - Financial accountability
  - Fundraising
  - Lobbying and political advocacy

**The agency has a structure to facilitate its operations**

- An organizational chart identifies clear lines of authority
- The agency employs qualified staff
  - The agency has Board-approved written personnel policies and procedures that:
    - Establish clear expectations
    - Address hiring, work responsibilities, training, supervision, and performance evaluation
- The agency utilizes qualified volunteers
  - The agency implements effective volunteer management practices
  - The agency has written volunteer policies and procedures that address recruitment, screening, training, supervision, and recognition
  - The agency is certified by United Way's Volunteer Center

**The agency acts with legal and ethical integrity**

- The agency discloses accurate and timely information to the public
- The agency adheres to written policies and procedures regarding fundraising practices
  - Solicitation and promotional materials are accurate and truthful
- Volunteers and staff act in accordance with written policies addressing:
  - conflict of interest
  - non-discrimination
  - affirmative action
  - protection for whistle blowers
  - code of conduct

**The agency safeguards its clients, employees, and assets**

- The agency maintains adequate and appropriate insurance coverages to protect against liability, loss, and damage
  - An assessment is periodically conducted to assess the adequacy of insurance coverage
- Facilities are safe and well-maintained and facilities and services are physically accessible
- The agency has appropriate safeguards and technology to protect its data and information
- The agency has in place a disaster and evacuation plan
- The agency has in place a safety policy
- The agency is in compliance with OSHA
  - Other safety laws are periodically reviewed
- The agency periodically conducts training for staff on policies and procedures
- The agency has an operations and procedures manual that is periodically reviewed and updated as needed

**The agency operates in accordance with professional industry standards**

- The agency maintains accreditation, if applicable
  - Child care programs that receive United Way funding are accredited by National Association for the Education of Young Children or Missouri Accreditation

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## FINANCE

### The agency is financially stable

- The agency has a sufficient level of reserves to provide for flexibility of operations and to accommodate economic uncertainties
  - The agency utilizes a plan for achieving/ maintaining operating reserves
  - A Board-approved policy defines the targeted level of reserves, if outside United Way recommended level of non-capital unrestricted net assets that are 25-75% of annual expenses
- Cash flow management strategies ensure the timely payment of obligations
  - The agency has available working capital to cover cash shortfalls either in the form of cash reserves or a line of credit
- In two of the last three years, the agency generated an increase in the unrestricted net assets class, unless the Board planned for a deficit in accordance with its strategic goals
- The agency takes proactive action in the event of a disruption of planned revenue or unusual expenses
- The agency's revenue streams are sufficiently diverse to assure continuance of operations
- The agency has a policy limiting the accrual of compensated absences for all employees

### The agency has an effective financial planning process

- The Board approves a written budget at the program level prior to the beginning of a fiscal year
- The budget planning process includes the participation of both management and the Board, and considers factors such as:
  - assessment of the annual budget in relation to the agency's goals
  - projected funding
  - targeted level of operating reserves
  - cost structure
    - direct and indirect operating expenses
    - cost per unit of service
    - fixed and variable costs
- The strategic plan includes financial goals that seek to maintain and/or improve the agency's financial stability
- During each strategic planning process, the Board analyzes each program's revenue and expenses and financial trends to assess the financial impact of the program on the budget
- The Board incorporates an analysis of the financial impact of expanded or new programming into its decision-making process to consider program growth
- The Board analyzes and incorporates into the strategic and program planning processes financial trends that indicate significant increases or decreases in revenue or expenses, so that growth or decline does not occur at a pace that exceeds the agency's infrastructure capacity or ability to manage its operational and financial impact.

### Financial activity is monitored and overseen

- One or more Board members is assigned to provide in-depth oversight and report to the Board in the areas of finance, the audit, and any investments held by the agency
  - In the area of financial position and activity, one or more Board member(s):
    - reviews and approves financial statements that track budget to actual financial activity on at least a quarterly basis
    - reviews significant variances between the budget and actual financial activity
    - monitors financial trends, revenues, and expenses
    - recommends revisions of the budget to the Board, when applicable
    - ensures that the Board receives financial reports at least quarterly
  - In the area of the audit, one or more Board member(s):
    - interviews and recommends to the Board an auditing firm
    - meets with the auditor following completion of the audit
    - reviews the draft of the audited financial statements and management letter
    - ensures that the audited financial statements are completed for final presentation within six months of the end of the fiscal year
    - recommends the Board approval of the audited financial statements
    - ensures that management acts on the recommendations, if any, contained within a management letter
    - presents the management letter to the Board
  - If the agency has investments, one or more Board member(s) reviews investment results at least quarterly
- Management monitors the agency's financial activity and position:
  - Financial reports that compare budget to actual are prepared and analyzed on a monthly basis
  - Variances between the budget and actual financial results are analyzed on a timely basis
  - Action to respond to significant variances between the budget and actual financial results is proposed to the committee charged with overseeing the agency's financial position and activity
  - Cash flow is monitored on an ongoing basis
  - Revenue streams are monitored to assess their stability
  - Receivables are monitored on a monthly basis
  - Payables are monitored on a monthly basis

### The agency has practices in place to safeguard assets and efficiently manage resources

- Reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP), unless a different accounting method is required by a governmental authority
- The agency utilizes the accrual method of accounting for internal reporting
- The agency utilizes standardized accounting policies, procedures and internal controls
  - The agency has a written accounting procedures manual
  - The internal financial controls system addresses:
    - prevention and detection of error, mismanagement, or fraud
    - segregation of duties (i.e., bank statements and supporting documentation sent to someone other than the preparer of the bank reconciliation; the duties of receiving payments should be segregated from the employee who posts payments to the accounts receivable)
    - safeguarding and verifying of assets
    - disbursement and receipt of monies
    - monthly review of the bank reconciliation by someone other than the preparer
    - threshold for multiple signatories on checks
    - approval of the CEO's expense reports by a member of the Board
    - competitive bidding process for significant expenditures
    - bonding or insurance of all employees with access to liquid assets
    - a process to approve journal entries
    - a vacation policy stipulating that financial employees take a minimum of five consecutive days annually
  - Accounting records are kept up-to-date and balanced, as demonstrated by:
    - monthly reconciliation of the bank statements to the general ledger
    - periodic reconciliation and adjustments of subsidiary records to the general ledger
    - up-to-date posting of cash receipts and disbursements
    - monthly updating of the general ledger

### The agency fulfills obligations and is in compliance with regulations of taxing authorities and other regulatory entities

- As required by law, the agency submits timely reporting and payment to taxing authorities, including:
  - Internal Revenue Service
  - Federal, state and local employment tax entities
- The agency is up-to-date in reporting and payment of employee benefits obligations
- The agency's state registration is up-to-date