Operational Review Process

APPL Convention Workshop
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Purpose

- Develop tools and processes to assess how well a partnership is achieving its goals and fulfilling its mission.
- Initiate a more standardized and proactive approach to implementing partnership reviews in which the process and the outcomes help the partners maximize strengths, identify areas for potential improvement, and engage in appropriate planning and follow-up.

Types of Reviews

Self Assessment
Internal reviews that associations undergo to determine how their organization measures up against generally accepted "best practices" in not-for-profit management and in the specific programmatic functions performed to support their mission (i.e. interpretive sales and product development, fund raising, educational outreach, etc).

Peer Review
A confidential, consultative process involving an external reviewer or team of reviewers that an association requests for the purposes of sharing information, testing assumptions, and exploring potential new ways of operating that might improve performance. This process can also provide the association's staff, board, and agency partners with ideas on how it might address current challenges and suggested resources which might aid in that effort. As with self assessment, the process draws from "best practices" in the field. Peer reviews may focus on one or more aspects of an association's operations, depending upon need.

Operational Review
A confidential, consultative process requested by the association and its agency partner(s) to assess how well the partnership is achieving its goals. Operational reviews involve a team of external reviewers selected for their expertise related to various aspects of the partnership (i.e. nonprofit management, interpretive and visitor services, budget and finance, retail sales, fundraising, etc.). The reviews typically involve requested information such as financial statements, interviews with association board and staff representatives and agency representatives, consultation, and a written report. As with self assessment and peer reviews, operational reviews compare current practices against standards or "best practices" for similar types of partnerships. The focus is on the central purpose(s) for the partnership between the association and the public lands agency(s).

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Association Review Process

Mission Fulfillment

The central purpose(s) for the partnership.
Review should assess if the partnership is effectively achieving both:

Agency Mission and **Association Mission**

as evidenced by:

Partnership

Is the partnership working together effectively to manage mission?

Communication
Joint Planning
Agency agreements

Nonprofit Management:

Does the association use accepted nonprofit management practices, appropriate to its role and scope?

Governance
Legal
Financial
Staffing
Risk Management

Resources Generated

How support is generated to fulfill mission:
Earned
Contributed
Government grants
In-kind

Services Provided

Services to the public and agency:
Interpretive
- Product development
- Project planning & implementation
- Visitor sales and services

Development/fund raising
Volunteer development
Education outreach
Constituency building
Advocacy
Conservation & preservation
Research

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Review of Major Areas of Operation

Core questions

- How well does the partnership achieve its stated mission and goals?
- How well does the association's performance meet standards and practices as they are generally understood within the field?
- Is the association providing the best services it can, given the scope of its resources?

Mission and Planning

Benchmarks:
The association has a clear sense of mission and organizes its board, staff, financial resources, programs and activities to focus on meeting its formally stated mission.
The association's programs, sales, fundraising, and other services effectively advance its mission and that of its agency partner(s).
There is current and appropriate evidence of planning for the association's and partnership's future.
Guiding questions:

- Do staff and board members have a clear, shared understanding of the association's and the agency's mission?
- Are policies, procedures, and resource allocation focused on fulfilling the mission?
- Do the board and senior staff have a clear vision of how the association should develop over the next few years, and does planning support achievement of this vision?
- Are staff and board members engaged in effective planning processes for the association's future?
- If there is a current plan, is it being used to address the association's major challenges, and is it guiding the association's actions?
- Are the agency and association jointly involved in planning activities with the potential to affect their mutual missions and operations?
- How often and effectively do the respective agency and association staff and board engage in planning?
- Are there procedures in place to regularly review and evaluate operations, goals, and objectives?
- Do the association and the agency gather information about visitors and use it to evaluate their performance and guide their planning?
- Do association staff and board members and their agency partners have a clear understanding of the major forces affecting the association's ability to succeed, and are they responding effectively to these challenges?
- How is the agency's mission supported by association activities?

Partnership

Benchmarks:

Senior level support and communication from the agency and the association enables the partnership to operate effectively.

The partnership functions in an atmosphere of mutual respect and trust that is visible at all levels of operations.

The agency and the association's efforts are mission-based and focused toward a common vision.

Guiding questions:

- Are primary and supplemental agreements between the agency(s) and association current and appropriate to the function(s) or services provided?
- Is there evidence of mutual respect between the agency and association, with both entities willing to listen openly to ideas advanced by the partner?
- Are expectations clear, realistic, balanced with resources, and mutually understood?
- Are partner roles, responsibilities, and contributions clearly defined and accepted?
- Is information shared regularly, and in a manner that is mutually beneficial?
- Are disagreements handled as they occur?
- Is reporting of information useful, timely and credible?
- Do the agency and the partnering association hold a shared vision of what the partnership is to become?
- Do the agency and association partners meet regularly and participate in appropriate meetings and activities held by each other?
- Are the roles and contributions of the agency(s) and association clear and appreciated?
- Are each of the partners' management systems compatible?
- Is there evidence of any structural or procedural barriers, or concerns stemming from differences in organizational cultures?

Structure and Function

Benchmarks:

The association operates from a firm foundation of carefully conceived and regularly revisited bylaws and related core documents.

The association complies with all applicable laws and regulations.

Guiding questions:

- How adequately does the association's documentation establish the association's structure, function, and delegation of authority?
- How often and effectively are the bylaws and other policy documents reviewed to keep them up-to-date with the association's practices?
- Does the association comply with applicable local, state, and federal laws and regulations?
- Do the association and the agency comply with the terms of their agreement?

Governance
Benchmarks:
The governance structure and processes effectively advance the association's mission.
The board and staff have a clear and shared understanding of their roles and responsibilities, and a commitment to the mission of the association and its agency partner(s).
Guiding questions:

- Do board members have a clear and shared understanding of their roles and responsibilities in administering a public trust?
- Does the composition of the board include a diversity of perspectives, skills, and resources that meets the needs of the association in fulfilling its mission and implementing its planning,
- Is the board operating in an effective manner?
- Does the board's committee structure address major aspects of governance?
- Do members of the board understand and respect the distinction between the roles of the governing authority and staff members?
- How effectively do the director and chair of the board work together?
- Has the board established procedures for evaluating its own performance, and is it using the information from that evaluation to make improvements?
- Does the board have an effective process to select and recruit new members?
- Are new board members provided with a comprehensive orientation to their roles and to the association, its agency partners, and their missions, goals, and plans?
- Does the board have a systematic, fair, and supportive process for evaluating the director on a regular basis?
- Does the board exercise prudent fiscal oversight of the association, demonstrating a sound understanding of the association's financial position?
- Does the board engage in effective financial planning?

Interpretive Sales
Benchmarks:
The interpretive sales function provides quality products that enhance visitor understanding and appreciation of the resource.
Interpretive sales support the educational and interpretive mission of the public lands agency(s).
Guiding questions:

- Does a scope of sales or interpretive merchandise plan exist, and is it periodically reviewed and updated?
- Do items for sale reflect the scope of sales and the interpretive themes of the site?
- Does the agency approval process foster timely selection of appropriate sales items?
- Does the association identify its target audiences and provide merchandise appropriate to its range of customers?
- Are sales practices and merchandise consistent with agency policies and terms of the association's agreement with the agency(s)?
- Are adequate inventories maintained? Do excess or obsolete inventories exist?

- Does the association have adequate sales areas in terms of size, fixtures, layout and display?
- How is item information tracked through a point of sales system or other records?
- How does the interpretive sales function perform in terms of return on investment and other pertinent measures?
- Is there an online store where individuals can purchase items via the Internet? What is the return on investment for Web sales?
- Does the association produce its own products? If so, what is the extent of its publishing/product development and how is success measured?

Interpretive Programs and Services

Benchmark:

Interpretive programs and services extend the agency(s)' capacity to provide quality interpretive and educational experiences for the public.

Guiding questions:

- How clearly are the educational goals of the programs articulated and how are they determined to be appropriate to mission, audiences, and resources?
- How effectively is information about audience interests and needs gathered and included in the association's educational planning efforts?
- Are programs regularly evaluated and adjusted based upon results?
- Do programs generate revenue or are they subsidized by other resource-generating activities or grants?
- If programs do not generate revenues, should they, and if so, how might this be accomplished?
- Do programs maximize the commitment, skills and resources of all partners?

Fundraising

Benchmarks:

Fundraising provides a means for people to become involved and express their support for public lands.

Fundraising practices adhere to nationally accepted standards and to public lands agency policies.

Guiding questions:

- Are appropriate agency agreements and approvals in place?
- Has the association registered with proper state authorities for fundraising?
- Does a board-approved fundraising policy govern acceptance of gifts?
- Is there a case for support (case statement) for the association and for any major projects or programs?
- Does a financial plan predict income and expense requirements for annual operating/program needs, special purpose/capital needs, and endowment/cash reserve needs, and does the plan identify dollar amounts which must be raised annually for these needs?

- Does the budget adequately support an effective fund raising program, and is the ratio of dollars raised versus fundraising expenses appropriate to the situation?
- Do board members contribute as well as engage in fundraising endeavors?
- Are systems in place for capturing key information about members, donors, and prospects?
- Are funds raised for activities that are consistent with the association's mission and plan?
- Are practices in place to ensure the association and agency honor the known intentions of donors?
- Are contributed resources stewarded wisely and can they be accounted for as applied to the project?
- Does the association demonstrate accountability to donors through its communications, annual and periodic reports?
- Are all gifts acknowledged in a timely and appropriate manner?
- Are benefits of membership programs appropriate, cost effective, and valued by constituents?
- Have feasibility studies been conducted, as appropriate, for capital campaigns?

Finance

Benchmarks:

The association develops and allocates its resources in a way that advances its mission and sustains its financial viability.

Guiding questions:

- Is the association in good financial health?
- Will its financial position and planning meet its current and future needs?
- What new or expanded sources of income might the association explore?
- Is the budgeting process linked to institutional goals and planning?
- How is the association supported, financially and otherwise, by diversified sources of revenue (i.e. sales, contributions, fees, grants and agreements)?
- Does the association adhere to generally accepted accounting procedures?
- Do cash reserves appear to be adequate?
- Do expenses, as a percentage of revenues, track with previous years and with the budget? If not, why?
- How much financial and in-kind support is provided for the agency from earned and contributed income activities?
- Are IRS Form 990 and other required filings completed and up to date?
- Are the association's exemption status, determination letter, and form 990 available for public inspection and copying?
- Is there adequate insurance coverage, including general liability and Directors and Officers liability?

Human Resources

Benchmarks:

The association's staff and volunteers have the appropriate education, training, experience, and support to accomplish their work.

Staffing is adequate to meet work expectations and needs.

Responsibilities and reporting lines are clearly defined and understood.

Guiding questions:

- Does the staffing meet the needs of the association and its agency partner in terms of number of staff, responsibilities, and training?
- If not, what additional staffing is most needed, and how could the association obtain the resources to add positions or adjust its current staffing to meet emerging needs?
- Does the association and its agency partner(s) provide training opportunities to help build staff capacity and expertise in accomplishing the objectives of the partnership?
- Does the association have comprehensive personnel policies addressing compliance with major employment laws, employment classifications and definitions, hours of work, performance evaluations and salary review, leaves of absence, disciplinary action and grievance procedures, and termination of employment?
- Are salaries and benefits comparable to similar job positions and markets?
- How well do volunteers meet the needs of the association/agency in terms of number, responsibilities, and training?
- What system exists for evaluating and recognizing volunteers?
- Do volunteers demonstrate a clear shared understanding of the association and the agency's mission?

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Association Peer Review/Operational Review Process

The APPL peer review process guides associations working in partnership with public lands agencies to an understanding of the importance of continuous self-assessment; and of improving management practices to sustain their operations and more effectively serve the public. Peer review is a collegial process of evaluation premised on the idea that the professionals who develop and follow standards of excellence in their own everyday work are the best ones to evaluate the work of their colleagues.

Peer reviews focus on mission fulfillment, the central purpose(s) for the partnership between the association and the public lands agency. Fulfillment of mission is examined based upon services provided, resources generated, evidence of effective partnership, and nonprofit management practices. Depending upon the mission and services provided, different lists of questions are followed to assess strengths and identify potential areas for improvement.

Associations completing a review receive an assessment report to help them engage in planning, set priorities, and identify opportunities for improvement. Benefits of the peer review process are many, enabling an association to:

- Assess operations in light of mission and resources
- Gain knowledge from interaction with experienced reviewers
- Support excellence and guide change
- Compare operations to those of similar associations at a national level
- Improve accountability and ethical practices
- Develop strategies to sustain association programs
- Gain a new perspective on difficult issues
- Improve staff, governing board, and agency understanding of best practices
- Understand emerging issues and prepare to meet challenges
- Develop professional relationships
- Harvest new ideas, diverse strategies, and potential solutions
- Begin or augment a planning process

Requesting a Review

The decision to conduct a review should be made jointly between all parties with specific goals in mind. In instances where the request for a review comes from an agency partner rather than from the association, the reasons for the request must be specifically stated and the issues clearly articulated to the association, the agency, and to APPL. The involvement of the regional or state levels of the partnering agency and the Association of Partners for Public Lands is necessary to objectively determine if a review is the appropriate tool or whether some other form of intervention or mentoring would be more appropriate.

Either an agency or an association may request a review.

- Interpretive associations or friends groups can request a review directly from the partnering agency or from APPL
- Agency personnel can request a review through their agency liaison
- The request for a review should be made in writing and with the consensus of all involved parties
- The request should include the following: who requested the review, the reason(s) for the review, the issues to be examined, the specific skill sets needed from review team members, agency and association representatives to be directly involved and their roles.

Preparing for a Review

Each peer review assessment has its own unique focus. The focus is reflected in the questions which guide efforts throughout the review.

The make-up of the review team should reflect the skills needed to address the specific issues as identified by the request. Each team has a designated leader, who is responsible for recommending and approving team members, logistical arrangements, facilitating the review, writing the final report and organizing all communication between parties throughout the process. The Team should have a minimum of two representatives of the nonprofit association community, coordinated through APPL, and minimum of one representative of the partnering agency or agencies.

Generally, the review team participates in each component of the assessment visit together. The visit should take place when:

- The executive director, relevant association staff, members of the board of directors, and agency partners are available
- There is adequate advance preparation time for the association to gather appropriate information for the reviewers and to schedule availability of staff and board members for the site visit
- There is time for the reviewers to complete their report within four weeks of the site visit
- The association's sales outlets, or other applicable programs, are open to the public and thus available for a visit by the reviewers

The parameters of the review should be discussed by all team members and the requesting parties in advance of the review and should be prioritized by urgency, need, long-term goals and the time available for the review. The review should examine both the association and agency commitment to the partnership with applicable criteria for each. Documents relating to the issues identified in the review should be available to all parties.

Timeframe

Preparing for and conducting an association review takes a significant commitment of time and resources, involving the association's staff, board of directors, agency personnel, and the review team itself. Peer reviews are encouraged by APPL as a due course of business that should be undertaken periodically at a minimum of once every five years.

However, peer reviews should not be considered as a universal solution to every association and agency partnership challenge. The decision to engage in a peer review requires upfront communication, examination of issues and needs, and consideration of alternative actions. Such alternatives might include association self-assessment, training, mentoring, facilitated discussion, or alternative dispute resolution.

The time required to conduct a peer review averages 40 to 60 hours over a three-month period to prepare, conduct the site visit, write and review the assessment report. The complexity of the association, number of sites served, and diversity of operations will determine the appropriate length of the site visit, preparation, and reporting time required.

Once the need for some form of action is identified, and the association's staff, board, and agency partners have met, the following timeline can serve as a guide for the review process:

- Within three weeks of identifying a need for action, the decision of whether to conduct a review should be made
- Written request for the review should be submitted within two weeks of the decision to initiate a review
- Review of written request, clarification of needs, and selection of the appropriate review team should take approximately three weeks
- The review should be scheduled within one month of selection of the review team
- The association and its agency partner should provide all requested written documents within three weeks of request by the review team, and in advance of the phone meeting
- A phone meeting with the association and the agency's designated representatives, and the review team leader should be held at least one week in advance of the review to clarify logistics, review process, interview schedules, and to answer any questions
- A final report will be completed and distributed within 30 days of the review and should include: reasons for the review, identified issues, team members, timeframe during which the review was conducted, findings, and recommendations.

Peer/Operational Review Report

The report of the peer review team is a permanent record of the association's and the agency's participation in the review program and will be available to these partners for years to come. A fair and balanced report based on specific observations, critical thinking, and a collegial approach will contribute to the association and the partnership's growth and success.

Care should be taken to make the reporting stage of the review productive and forward thinking. A successful report is not only correct, but is also influential.

- The findings should be limited to those specific items listed in the request or to any additional items not listed but affecting or influencing those items
- The findings should be based on facts rather than anecdotal information
- The findings can be a request for more information
- The team should refrain from sharing preliminary findings, except with one another or as a part of a formal on-site exit debriefing
- Sharing of the final report should be done in writing, with a follow-up conference call if necessary involving the association and the agency's designated representatives and members of the review team

Reports are most effective in influencing a partnership when they are:

- Concise
- Constructive
- Practical and realistic, taking into consideration existing resources
- Balanced in analysis
- Written with all stakeholders in consideration (staff, board, agency personnel)
- Focused to the desired outcomes

Organization of the report includes the elements listed below. Reports are typically 15-25 double-spaced pages to cover the full scope of the review.

<u>Introduction</u>
States the goals for the assessment, when the visit took place, and who was involved. Includes the association's mission, which is the keystone for much of the report's analysis, along with the mission of the partnering agency and site(s).

<u>Executive Summary</u>
Briefly summarizes significant observations and most critical recommendations, including both positive remarks and constructive criticism. The executive summary often becomes the piece most often read by governing authorities, funders, or individuals outside the organization.

<u>Brief Institutional History</u>
A brief description of the historical, relational, and physical context of the organization, including the association's current situation and important elements from its past. These elements may include key demographic information relative to the site or region, visitation, services and programs provided, revenues and contributions.

<u>Body of the Report</u>
Using the original goals for the review and the critical issues checklist as a guide, the report should provide a comprehensive review of the association's operations from the perspective of its mission and that of its primary agency partner(s), and relate those operations to current standards and best practices in the field. In areas where there is a potential for improvement,

the report should provide constructive and achievable recommendations to the association and for its partners along with supporting resources and references. Recommendations should reflect the association's resources, abilities, and stage of organizational development.

Each topic in the report should be clearly identified to ensure that recommendations and resources are easy to find. Headings, bold type, and bulleted lists are used to make the report easy to read, understand, and use.

Summary

Major observations and recommendations are summarized and grouped to help the association and its partners determine how they might implement them. These groupings may be organized by priority, timeframe, or by resources required.

Attachments and Appendices

Attachments may include the site visit agenda and list of participants, and the names and affiliations of the review team members. Examples of model documents, resources or references to support the report recommendations such as a list of articles, organizations, Web Sites, or books may also be included.

Following the Recommendations

The association and its agency partners should develop a process and a reporting format that can be used to report back to one another the progress being made toward the identified goals. This would include reviewing each issue as progress is made and identifying new issues as soon s they come up. The partners should also agree upon set time frames for reporting, for example, quarterly or when one of the recommendations has been addressed, and the type of reporting formats and information needed by both parties on a regular basis.

Peer Reviewers

Peer reviewers support APPL members and their agency partners by contributing their time to review materials, conduct a site visit, and write an evaluative report for each review undertaken.

Peer reviewers:

- Are currently employed at an APPL member association or are on the board of an APPL member association
- Have experience with basic overall functions of interpretive associations and friends organizations (generally more than 5 years)
- Understand the context of working within a public lands agency partnership and policies
- Have expertise related to the performance areas of the association to be reviewed
- Are aware of and participate in field-wide dialogue on practices and issues
- Are skilled in effective communication skills (listening, oral, and written)

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- Undertake their responsibilities with full attention to the ethical standards of confidentiality, fairness, professionalism, and avoidance of conflict of interest
- Are familiar with nonprofit association and public lands agency related resources
- Make time for a peer review activity each year

Peer reviewers serve as objective colleagues to assess a not-for-profit association's operations and its relationship with its primary agency partner(s) toward fulfillment of their missions. Peer reviewers make constructive and achievable recommendations for change. Primarily the reviewers:

- Review the association's performance in the context of its mission and resources
- Compare the association's operations to standards and best practices as generally understood in the context of not-for-profit partners to public land management agencies
- Provide recommendations to the association and its partners on potential strategies for dealing with challenges
- Share information about ways in which similar associations operate
- Identify resources the association and its agency partners can use to reach their goals

When requests for association reviews are received, APPL staff will help to identify peer reviewers whose stated experience and expertise match the association's

- mission and the mission(s) of its primary agency partners
- issues or concerns identified by the association's staff, board, and agency partners
- demographics, to include such things as size and scope of operations, budget and revenues, region of the country, and agency(s) served
- specific expertise requested by the association

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Self Assessment
Information for Internal Review

Information maintained and filed for internal review purposes also provides documentation useful to informing the peer or operational review process.

Mission and institutional planning

- Articles of incorporation
- Bylaws
- Mission statement
- Strategic plan, business plan, and/or annual plan

Partnership:

- Current agency agreements
- Letters of understanding or agreements with other partners

Governance:

- List of board members, with officers indicated
- Board orientation materials, including terms, position descriptions and committee structure
- Code of ethics/ethics policy
- Conflict of interest policy/statements
- Minutes from past year's meetings

Staffing & Human Resources:

- Organizational chart
- Staff list
- Position descriptions
- Resumes or bios of executive staff
- Staff handbook or policy manual
- Sample performance evaluation form
- Volunteer policies

Finance & Legal:

- Audited financial statements from the two most recently completed fiscal years
- Un-audited financial statements for period from last audit to present
- Copy of association's most recently filed IRS Form 990
- Appropriate federal, state, and local filings
- Approved budget for current year
- Investment policy
- Internal control procedures
- Purchasing practices
- Annual report

Retailing:
- Scope of sales or interpretive merchandising plan
- Inventory statements
- Financial ratios and trends

Fundraising:
- Case statement
- Promotional materials, brochures, pledge cards
- Sample solicitation letter
- Sample acknowledgement letter
- Fundraising agreement(s)
- Membership statistics (number of members, membership fees, membership income)
- Total amount of revenue from fundraising over the last five years and total spent conducting fundraising activities

Marketing and Outreach:
- Promotional materials, brochures, flyers
- Web Site address
- Marketing plan
- Most recent newsletter