Board Oversight of Not-for-Profit Program Evaluation:
Questions for Directors to Ask

Linda Mollenhauer

Board Oversight of Not-for-Profit Program Evaluation:
Questions for Directors to Ask

Linda Mollenhauer

Preface

The Corporate Oversight and Governance Board (COGB) of the Chartered Professional Accountants of Canada (CPA Canada) is committed to helping boards of directors of not-for-profit organizations fulfill their responsibility for the oversight of program evaluation.

This publication presents a four-step framework to help directors:
- determine organizational readiness
- ensure a good evaluation process is in place
- learn from their evaluations' findings

While boards should not be involved in day-to-day program evaluation, oversight of this area is needed so that directors can ensure that their organization is effectively working towards its mission.

Thomas Peddie, FCPA, FCA
Chair, Corporate Oversight and Governance Board

Table of Contents

Introduction

- **Do the programs and services that our not-for-profit organization delivers move us closer to accomplishing our mission?**

- **Do our programs, services, projects and initiatives[1] make a difference to the people, communities and causes we serve?**

- **What have we accomplished with the resources that have been entrusted to us?**

For directors of not-for-profit organizations, knowing the answers to these questions is a core responsibility. With a good program evaluation process in place, the board can gather, assess and report on the activities and results of its programs, giving the board the information it needs to answer these questions with confidence.

Answering these questions is even more important in the current era of government fiscal restraint, as demand for programs rises and competition for resources gets more intense. Doing good work and having passion for a cause is no longer enough. Not-for-profit organizations must provide reliable evidence that their programs are producing results and benefitting the people, communities or causes they serve.

While the depth and rigor of evaluation depends on the organization's resources, program evaluation is critical for fulfilling and demonstrating accountability to funders, donors, members and other stakeholders, as well as the people

> **"Without (evaluation), you'll feel like sailors navigating by dead reckoning in a world with GPS."**
> **— Mario Morino**
>
> *Leap of Reason: Managing to Outcomes in an Era of Scarcity*, A Venture Philanthropy Partners Publication (2011), at page 22.

---

1   Program performance is often distinguished from program monitoring and evaluation. In this publication, program evaluation includes both the monitoring of performance and the deeper evaluation of what is working or not, and why. For simplicity, "program" is used herein to cover all of an organization's programs, services, projects and initiatives.

and communities served. Done well, program evaluation allows the organization to understand and communicate the efficiency, effectiveness and results of its programs. It can help the board:

- understand what has happened with programs in the past
- determine what and how programs should be offered in the future
- engage stakeholders in answering critical questions about what matters to them
- make decisions on the best use of resources.

Responsibility for program evaluation belongs primarily to the staff. Directors play a key role in ensuring it is done well and generates useful, credible information that informs decision making.

This document offers directors the information and tools they need to fulfill their governance role in program evaluation. Directors will find out how to:

- ensure their organization undertakes the best possible process
- provide knowledgeable governance-level oversight and support
- engage in informed dialogue with each other, the CEO and staff
- link evaluation findings with the decision making of the board.

A not-for-profit organization's ability to take all of the steps set out in this publication may vary based on its size and resources. Organizations with limited capacity are encouraged pick those elements of program evaluation oversight that are the most critical and achievable within their means.

Why Should the Board Invest in Program Evaluation?

Program evaluation helps to fulfill compliance requirements and prove that the organization has done what it said it would do. But evaluation can do a lot more. Below are five reasons it's a critical investment.

1. **Fulfill Accountability**
    Program evaluation demonstrates accountability to stakeholders, including funders, donors, members and volunteers, as well as the people and communities served. When evaluation processes are sound, they build stakeholder confidence that the organization is making progress on its mission.

2. **Create a Clear Line of Sight Between Mission, Goals and Programs**
    Understanding how programs work allows the board to have a clear line of sight from the organization's mission through organization-wide goals to individual programs. Program evaluation affirms whether programs are adhering to the mission or drifting from it. Information gained provides valuable lessons that may cause changes to the organization's mission, goals and strategies.

3. **Build Clarity, Shared Understanding and Engagement**
    From identifying what should be measured to understanding what makes a program successful, the process provides an opportunity to engage key stakeholders and gain their input on what matters to them most.

> "Evaluation separates the 'wheat of effective intervention' from the 'chaff of mere good intentions'…. it shouldn't be a one-off exercise to appease funders, but an essential management tool and way to answer critical governance questions."
> —Kim Jonker and William Meehan
>
> "Clear Measurement Counts," Stanford Social Innovation Review (March 20, 2014).

4. **Facilitate Learning, Generate Improvements and Inform Decision Making**

    Without a formal evaluation process, staff will run a program based on guess-work. While passion and intuition are important, they need to be combined with objective and credible data. Evaluation is the only way that board and staff can feel truly confident that the program is achieving meaningful results. Evaluation also informs board and management decisions on whether and how to shape, revise, shut down or expand programs.

5. **Promote and Influence**

    The evaluation results demonstrate the organization's achievements to all its constituents, helping build its reputation and credibility and, in turn, secure funding and other resources. Evaluation findings often inform and shape the work of others, for example, by generating support for program delivery or influencing government policy.

Program Evaluation Framework

The four-step framework for program evaluation depicted below is tailored for use by not-for-profit boards of directors. The framework highlights key questions for directors to ask at each step. We explore each of these steps and questions in the following pages.

8. Does the knowledge we gain from program evaluation inform our strategic decision making, quality improvement, engagement and resource allocation?

1. Are we fulfilling the board's distinct responsibilities?

2. Are we clear about what we want to learn from our evaluation?

3. Do we have a culture that promotes evaluation and the competencies and resources to do it well?

4. Do we have an organizational performance management system for collecting and assessing the program evaluation's findings?

Determining organizational readiness

Learning from program evaluation

Getting clarity about programs

Ensuring a good process is in place

7. Do we have confidence that our program evaluation process is feasible, reliable, useful and based on good practice?

5. Are our mission, goals, strategies and programs linked?

6. Are we clear about how our organization's outcomes and impacts are achieved?

Determining Organizational Readiness

1.   Are We Fulfilling the Board's Distinct Responsibilities?

Designing and implementing program evaluation is management's responsibility. They make decisions about what, when and how. Once results are provided, the board's primary role is to ask, 'So what?' and 'Now what?'

Before the evaluation is complete, there are other critical points where the board needs to be engaged in order to encourage evaluative thinking within the organization.
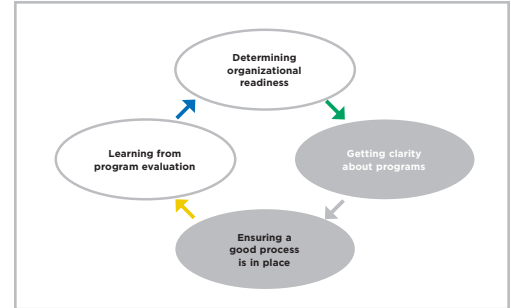
The key governance responsibilities for evaluation are to ensure the following:
*   The mission, goals, objectives and strategies are clear and measureable, and evaluation informs any revision of these elements.
*   The organizational culture promotes and supports evaluation.
*   There is clear understanding about how program activities, resources allocated and results are linked.
*   Evaluation serves multiple purposes (beyond fulfilling compliance requirements) and is based on good practice.
*   Resources and competencies are sufficient.
*   The information informs decision making.

An individual director may partake in an evaluation process, for example, to contribute their expertise or provide their perspective as a stakeholder. In most of these cases, the director reports to staff and does not make governance-level decisions or represent the views of the board.

2.   Are We Clear About What We Want to Learn from Our Evaluation?

Evaluation can answer many important questions about an organization's programs. It's important that the board and management agree about the purpose of evaluation and the information that it should generate. For example, evaluation results should tell the board about:
*   a program's use of resources and its efficiency in delivery
*   whether the program activities are performing as planned and reaching those it is intended to serve
*   the degree to which the program is meeting the needs of those served and whether the results advance the organization's mission
*   the results being achieved (including unexpected ones) and the reasons behind them
*   whether and how to continue, strengthen or end a program.

3. Do We Have a Culture That Promotes Evaluation and the Competencies and Resources to Do Evaluation Well?

Culture

The success of program evaluation depends on the organization's culture. It shapes the degree of rigor and regularity of evaluation, how well it is embraced by staff, and whether it delivers better outcomes, drives decisions and engages stakeholders. For example, a culture that embraces and enhances evaluation may value:

- reflection and self-examination
- evidence informed learning
- a focus on results
- innovation

> "Organizations with a culture that values inquiry, exploration and discovery, as well as self-examination, are on the forefront of using evaluation to fine tune their programs and to be innovative."
> —Heather Weiss
>
> *The Evaluation Exchange*, Vol. VIII, No. 2 (Harvard Family Research Project, Fall 2002), at page 1.

The chart in Appendix A outlines the key features of an evaluation culture and highlights the attitudes and values of the board and management that are needed to nurture it.

Competencies

Undertaking evaluation requires special skills, knowledge and capacity. For example, staff need to understand different evaluation methodologies and be able to judge the best-suited one. They need the ability to present the findings clearly and credibly. Software may be needed to collect and analyze data. It's the board's role to support the CEO in ensuring these competencies are present internally or find them outside if necessary.

Resources

To fund evaluation, it has been suggested that an organization should allocate 10 to 15 per cent of a program's direct and indirect operational costs, or 5 to 10 per cent of total operations.[2] Expenses may include direct professional time and hard costs, such as specialized software. To ensure sufficient funds are available for evaluation, an organization can:

- integrate its costs in the program's budget
- develop a specific proposal for this purpose
- share and pool resources with other organizations.

---

2   Anita Baker and Beth Bruner, *Integrating Evaluative Capacity into Organizational Practice* (Bruner Foundation, 2012) at page 74.

Organizations with few resources have limited ability to evaluate long-term program results in-depth. These organizations can:

- rely on smaller sample sizes
- use less costly collection methods (e.g., surveys instead of in-depth interviews)
- focus on more immediate and observable changes
- use sector-specific research (e.g., from larger organizations, associations, academics) and make logical inferences
- establish a shared evaluation program with other organizations that have similar goals and outcomes.

> **"...[I]t takes a bold spark to ignite outcome and performance thinking. This spark should emanate from the board as well as the organization's leader."**
> **—Mario Morino**
>
> *Leap of Reason: Managing to Outcomes in an Era of Scarcity* (A Venture Philanthropy Partners Publication, 2011) at page 63.

4. Do We Have an Organizational Performance Management System for Collecting and Assessing the Program Evaluation's Findings?

Not-for-profit organizational performance management is broader than program evaluation. It looks at all the elements that allow the organization to achieve its mission. Delivering effective and efficient programs that produce meaningful outcomes for the people or communities served is only one, albeit critical, measure of how well the organization is achieving its mission. The board and management must consider the organization's overall health and whether the right people, strategies, training, infrastructure and resources are in place. Many organizations use tools such as balanced scorecards and matrix mapping to do this.

Organizational performance management typically involves evaluating, for example, whether the business model is working, how resources are allocated, the organization's reputation, and the degree to which the organization is sustainable.

Getting Clarity

5. Are Our Mission, Goals, Strategies and Programs Linked?

The organization's mission and programs are interdependent. Programs advance the mission, and the mission defines the direction and content of programs. Good program evaluation requires a mission with goals that are compelling, clear, measureable and feasible. Without this, programs can drift from the organization's core purpose.
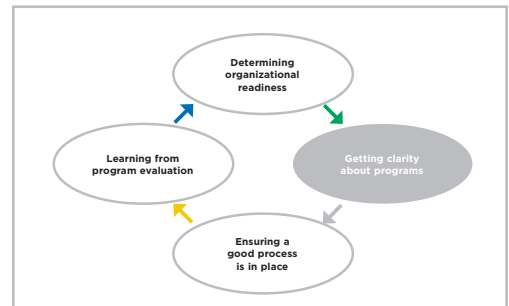
Evaluation results build confidence that the program outcomes are in fact advancing the mission. If the evaluation uncovers significant results that weren't intended, they may cause the board and management to revise the mission.

The interrelationship is illustrated in this diagram:
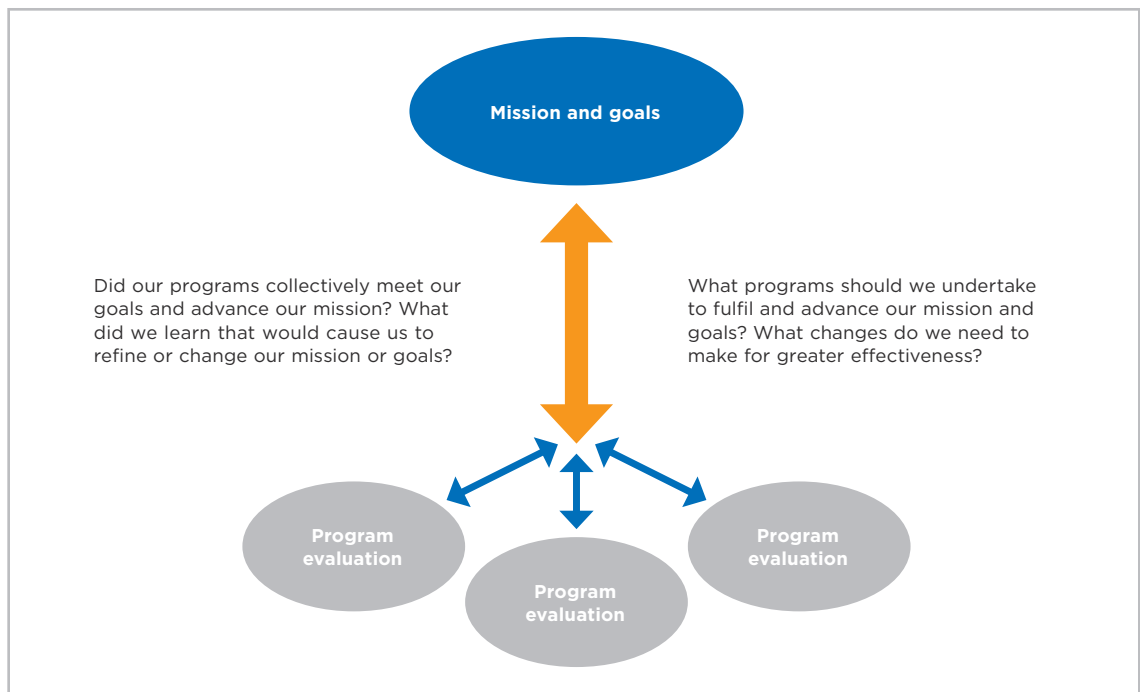
6. **Are We Clear About How Our Organization's Outcomes and Impacts Are Achieved?**

In order to be accountable and know the organization is truly making a difference, the board and management have to be able to talk about program outcomes and impacts. Two commonly used tools to better understand program outcomes are the 'logic model' and the 'theory of change'. These tools allow the board and management to:

*   gain consensus among key stakeholders about what the program is intended to achieve
*   identify benchmarks to track a program's progress
*   determine why programs fail or succeed

While the board is not responsible for developing a logic model or theory of change, they need to have a basic understanding so they can provide input into its development.

Logic Model

Many organizations use a logic model as a framework to help plan and evaluate programs. The model depicts the logical relationships between the program resources, activities and results. A chain of reasoning is formed by framing "if/then" statements. For example:

- "If we have access to these resources, then we can produce these activities."
- "If we undertake these activities, then these outputs will be generated."[3]

The components of a basic logic model are set out in the chart below.

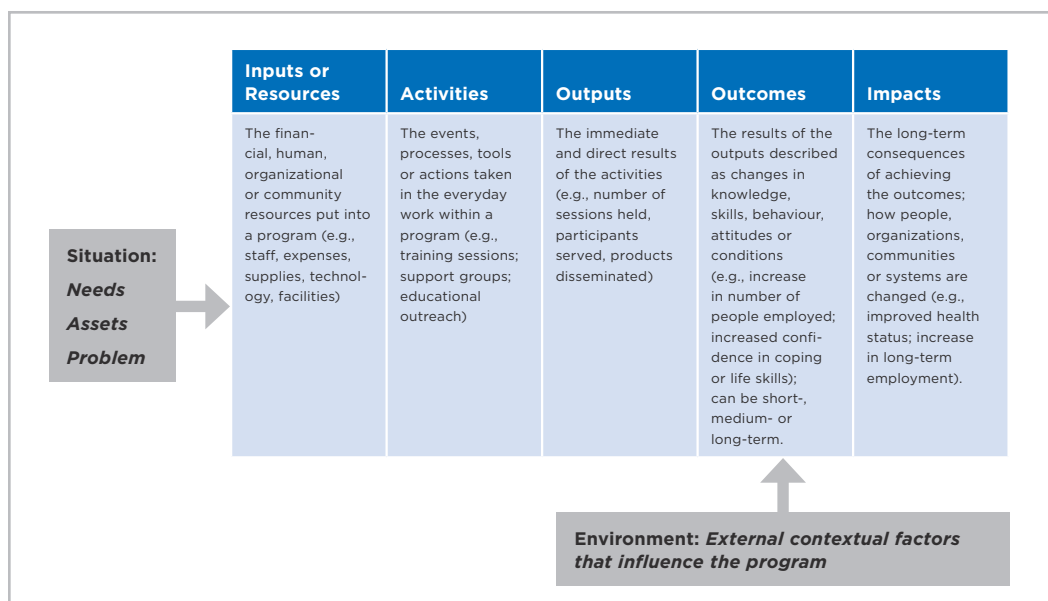|	Inputs or Resources	Activities	Outputs	Outcomes	Impacts
Situation: *Needs* *Assets* *Problem*	The financial, human, organizational or community resources put into a program (e.g., staff, expenses, supplies, technology, facilities)	The events, processes, tools or actions taken in the everyday work within a program (e.g., training sessions; support groups; educational outreach)	The immediate and direct results of the activities (e.g., number of sessions held, participants served, products disseminated)	The results of the outputs described as changes in knowledge, skills, behaviour, attitudes or conditions (e.g., increase in number of people employed; increased confidence in coping or life skills); can be short-, medium- or long-term.	The long-term consequences of achieving the outcomes; how people, organizations, communities or systems are changed (e.g., improved health status; increase in long-term employment).

Environment: *External contextual factors that influence the program*

Note: Some organizations reverse the definitions of outcomes and impacts.

See Appendix B for an example of a logic model.

Theory of Change

A 'theory of change' (sometimes called program theory) is a hypothesis that explains how and why a program works.[4] A theory of change can be developed for a single or series of programs, or it can be designed more broadly, starting with the mission and then using the theory to

> "A frequent criticism of monitoring and, evaluation is that they place too much emphasis on measures of busyness — ...what a program does on the assumption that what is does will produce results."
> —Sue Funnell and Patricia Rogers
>
> Purposeful Program Theory (Josey-Bass, 2011) at page 42.

---

3   For more detailed information about logic models, see W.K. Kellogg Foundation *Logic Model Development Guide* (**www.wkkf.org/resource-directory/resource/2006/02/wk-kellogg-foundation-logic-model-development-guide**).

4   For more information about how to develop a theory of change, see Center for Theory of Change (**www.theoryofchange.org**).

determine which programs should be put in place. While a logic model lays out the components of a program, a theory of change describes how and why a change is expected to happen.

Theory of change development starts by identifying the desired long-term goals, outcomes and impacts and then works backwards to identify the conditions and activities that must be in place to achieve them. A theory of change should clearly articulate *why* something will cause something else to happen.

WoodGreen Community Services' theory of change for its Homeward Bound program provides a simple example:

> *If homeless or precariously housed single mothers in poverty have access to a 4-year program that includes wrap-around supports, such as housing, child care, counselling, skills training, academic upgrading, a two-year college diploma program, and a professional internship, then the mothers will stabilize, become economically self-sufficient with career-track employment, and raise healthy, resilient children who will likely pursue post-secondary education and employment themselves.*

Development of a sound theory of change requires time and resources to properly engage key stakeholders in the process. A theory of change that is not well conceptualized and tested can lead to the delivery of programs that don't work or metrics that aren't meaningful.

See Appendix C for a more detailed example of a theory of change.

When presented with a theory of change developed by staff, the board may consider asking the following questions:

- Who was involved in creating the theory of change? Was it developed without bias and with input from appropriate stakeholders (e.g., knowledge experts, those who would experience the change)?
- Is it plausible and consistent with other research and data (rather than just documenting staff's assumptions)?
- Are the situational and environmental assumptions that link the components of the logic model clearly described and credible?
- Are any intended targets missing?
- What is within or beyond our ability to influence or control?
- Do we have the appropriate resources to meet all the pre-conditions for success?
- What change is most critical? What should be prioritized if we receive extra or lose funding?
- What does the theory of change tell us about scaling the program or replicating it?

When programs are being delivered collaboratively with other organizations, the board needs to appreciate that creating joint logic models and a theory of change are more complicated. As a result, they can require more resources and more time to develop and monitor.

While logic models and a theory of change can help an organization to measure its success, they have limitations. For example, logic models and theories of change:

- are linear, while programs can be complex
- represent a static moment in time, while programs may run in continuously changing conditions
- assume a degree of control, while many programs operate within a larger systems that the organization does not control
- do not always capture unintended results or hard-to-see factors, such as power dynamics.

Where these limitations are present, organizations may choose to use other methods to understand outcomes and impacts. For example, "developmental evaluation" is a more continuous evaluation loop in which staff members make adjustments to the program, learn from them, test them and then making further revisions.

Ensuring a Good Evaluation Process Is in Place

7. Do We Have Confidence That Our Program Evaluation Process Is Feasible, Reliable, Useful and Based on Good Practice?

While the staff are responsible for developing, managing and implementing the evaluation process, the board is responsible for ensuring the process is feasible, based on good practice and produces reliable information that is useful

to key stakeholders. The key steps in developing and implementing an evaluation process are described below, along with questions that the board should consider asking management at each step.[5]

---
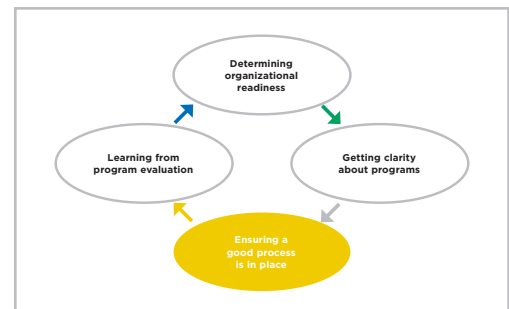
a. Define the program

- Is there a clear and compelling outline of the program and resources, intended outputs, outcomes and impacts, and, where appropriate, a theory of how change happens with indicators of success?[6]
- Is there an honest and comprehensive description of the issues, problems and challenges facing the program?

> "The goal of the process is to conduct the most valid, relevant and credible evaluation as possible within the context of the organization's resources, opportunities and constraints."
> —Heather Weiss
>
> *The Evaluation Exchange*, Vol. VIII, No. 2 (Harvard Family Research Project, Fall 2002), at page 4.

b. Frame the evaluation's boundaries

- Is the purpose of the evaluation clear? Will it generate important strategic information that is mission critical? Will it advance our thinking, test assumptions and, if appropriate, challenge the status quo, or simply lead to foregone conclusions?
- What additional questions, if any, does the board want answered by the program evaluation?
- If the evaluation process outline provides a description of the key ingredients of a program's success and failure, does it seem reasonable and unbiased?

c. Manage the evaluation process

- Are the programs evaluated with the right frequency (e.g., all new programs after one year, with more in-depth evaluations every three years)?
- At what point (if ever), will the board be brought into the evaluation process?
- If a board director is participating in the process, have clear terms of reference been developed? Do those directors feel they have the capacity to contribute effectively? Do they understand that they aren't representing the views of the board?
- Is the right capacity in place to achieve the evaluation and to do it well? Is the CEO championing the evaluation? Do the timelines seem reasonable given the resource allocation?
- Are we confident that the evaluation standards will be met?

d. Collect, analyze and synthesize data

- Are there any risks or complexities that the board needs to understand about the process for gathering and analyzing information? (For example, if clients move on from the program, how would we track the long-term impacts? Are there technology limitations?)

---

6   In the case of developmental evaluation, this information may evolve with the evaluation process. See page 12.

e. *Report and use the findings*

- How will the results be presented to the board? Will there be interim reports at key milestones? What kind of input will be expected from the board?
- How will reporting be handled for programs delivered in collaboration with other organizations? What are the risks related to releasing collective results?
- Is there a plan in place for managing negative findings or unintended results? If there are mistakes in the findings or process, how we will proceed?
- Will the process ensure the resulting recommendations are transparent, objective and realistic?
- Are we confident that critical stakeholders will receive the right information in a format that is useful to them, particularly staff, funders, donors, members and other critical stakeholders?
- How will the information feed into governance and management decision making processes (e.g., strategic planning, program design, revision, discontinuation or scaling, resource allocation) and funding reporting requirements?
- What is our plan to engage with external stakeholders regarding the results (e.g., sustain and attract funding, donors and partners, enhance the program brand and our organization's public image, tell our organization's story)?

See Appendix D for an assessment checklist for program evaluation processes.

Learning from Program Evaluation

8. Does the Knowledge We Gain from the Program Evaluation Inform Strategic Decision Making, Quality Improvement, Engagement and Resource Allocation?

Monitoring progress

Dashboards and report cards are commonly used tools to inform the board about program performance. They provide a snapshot of progress on critical indicators o the data can be reviewed and interpreted easily. It's important that the information is not skewed. It should show the whole picture, not just the best picture.
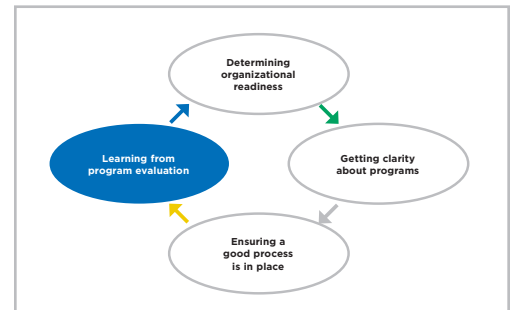
Many organizations provide a narrative to explain the story behind the data. It's also important to ensure that the performance picture includes the outcomes and impacts the program is achieving as well as the outputs (e.g., people served, number of activities).

Done well, dashboards and report cards spark and inform deeper conversations between directors and management about critical strategic issues. They are an important accountability tool for reporting results and a way to engage stakeholders.

Dashboards and report cards are typically provided at least quarterly to the board. The board's dashboards or report cards should have more of a "bird's-eye" view than staff dashboards. The information should alert the board to the following:

- alignment with expectations
- progress toward goals
- significant changes, such as a drop in participation
- increase in resource requirements
- shift in the outcomes being achieved

> **Indicators are specific and measureable characteristics, actions or conditions that can be tracked over time and used to determine if something has been achieved.**
>
> **Key performance indicators (KPI) are the metrics used to evaluate success such as the number of program activities performed, targets reached, costs per person served, and outcomes achieved.**

Reporting on evaluation

An evaluation report summarizes the results of an in-depth program evaluation, presenting the board with the findings, conclusions and recommendations, including how results can be used to guide program improvement and strategic decision making, and to engage key stakeholders. The results in the report can feed into board-level dashboards and report cards.

There are mixed views about how far along an evaluation report should be before it is presented to the board and how much information should be presented. Highly detailed reports can invite the board to micromanage the design and implementation of programs — a clear responsibility of the staff. By contrast, if the board only receives highlights or a polished, complete document, then management will have missed an opportunity to learn from the board's insights. Where the evaluation process is extensive, the board should be briefed at key milestones along the way.

(For a checklist of what a board should expect to see in an evaluation report, see Appendix E.)

Using program evaluation findings

The board plays a critical role in using program evaluation findings and lessons in five key areas, set out below. Boards can ask the following questions in each of these areas to help inform board decisions that need to be made.

> "Without hard data on which to anchor outcomes, the organization can wobble off course without a clear warning signal."
> —Eugene Fram and Jerry Talley
>
> "Using Imperfect Metrics" *Nonprofit Quarterly* (July 24, 2012).

1. **Mission, values and goals:** developing or revising the organization's mission, values and goals.
    -   Do the programs advance our organization's mission, align with its values and achieve its goals? How?

2. **Engagement and accountability:** developing and refining stakeholder engagement strategies and ensuring accountability requirements are met.
    -   Are we maximizing and leveraging the information from program evaluation to meet accountability requirements and to achieve engagement strategies (e.g., attract resources and partners, enhance our public image, tell a more compelling story)?
    -   Are we sharing less positive program results and recasting them as opportunities for improvement?
    -   Can we create opportunities to reflect on what we have learned with our key stakeholders?

3. **Strategic planning and decision making:** undertaking strategic planning and ongoing strategic decision making.
    -   What are the program trends, opportunities and challenges that inform our strategic priorities and choices?
    -   Is the program aligned with and advancing key strategic goals, targets and milestones?

4. **Resource allocation:** making governance-level decisions about resource allocation (e.g. people, funds and infrastructure).
    -   On which programs should we be focusing our limited resources?
    -   Do we have the right management competencies to deliver our program outcomes and impacts?
    -   Where can we reallocate or integrate program resources for more impact?

5. **Designing and implementing programs:** making strategic decisions about program design and implementation.
    - Should we continue, revise or discontinue a program? Which programs can be replicated or scaled?
    - Are major program course corrections needed? Would these corrections have significant strategic implications?
    - Can we share lessons learned with other organizations to improve practice or enhance collaboration?

Challenges to Program Evaluation

The board should be aware of the challenges that staff face as they design and undertake program evaluation so they can be better supported. Some key challenges are:

- finding enough resources to do it well
- lack of staff time, skills and confidence
- issues related to the gathering of data (e.g., client participation)
- burdensome funder accountability requirements
- satisfying the multiple and sometimes conflicting interests of stakeholders
- working in complex collaborative initiatives.

We explore these challenges in more detail below. One way the board can help to mitigate them is to ensure that the organizational culture promotes and supports evaluation.[7] Ways the board can help the CEO tackle each challenge are set out in the boxes below.

Finding the Resources

Most organizations are required to evaluate programs to meet accountability requirements of their key stakeholders. However, funders and donors are often reluctant to support this function because they consider it as an overhead cost. As a result, staff may need to find the funds in the operating budget, which some staff may see as diluting scarce resources meant for direct program delivery.

---

7   For further discussion of organizational culture see page 7.

While this is a reality for many not-for-profit organizations, it's important for the board to appreciate that designing and delivering programs that are not founded on valid information will ultimately impede its ability to secure resources, build partnerships and create meaningful results for those served.

Another challenge is that evaluation can be a daunting task, and the staff skills, confidence or willingness to do it well may not exist. Even where there are staff members with the expertise to manage evaluation, other staff may perceive the demands of tracking and collecting data as unduly burdensome. As a result, senior leadership often find it difficult to convince already overworked staff to focus on evaluation activities.

The board can support the CEO in addressing these challenges by:
- making the case and actively seeking funds to properly resource program evaluation
- working collaboratively and sharing costs and resources with other organizations that have aligned goals and outcomes
- educating staff about the benefits and providing training that builds competencies and confidence
- integrating evaluation into program staff's job descriptions and performance reviews so that staff feel it's a valued part of their role.

Shifting from Reactive to Proactive

For many not-for-profit organizations, complying with government, foundation and corporate reporting requirements consumes a large part of the organization's resources. As a result, evaluation can become focused on merely satisfying accountability obligations rather than also meeting the strategic interests of the organization. This can be problematic for two reasons.

First, the interest of funders and not-for-profit organization interests are not always aligned. For example, not-for-profit organizations want evaluation results to guide them to create the best possible programs for those they serve. By contrast, funders want to collect data that answers larger systemic questions about, for example, the long-term impacts of a collection of programs or achieving greater scale with their investments. Funders also need to demonstrate to their own constituents that their contributions are achieving value in return for the dollars spent.

Second, the funders themselves may have different data collection requirements, so they may not be aligned on what metrics to measure. As a result, many not-for-profit organizations must collect a patchwork of data to meet its funders' needs and miss the opportunity to design their own strategic system of program evaluation.

The board can support the CEO in addressing these challenges by:
- helping develop metrics that make sense for the funders and organization alike
- advocating for more consistent metrics and more efficient reporting systems
- collaborating with coalitions and networks to create consistent principles that drive evaluation, set common indicators, report through common data systems, and analyze and learn from the data together.

Making It Count

In order to generate valuable information, program evaluation must be rigorous. However, it can be difficult for staff to determine what kind and how much evaluation is necessary. The multiple and sometimes conflicting interests of stakeholders can compound these challenges.

In addressing these challenges, some organizational leaders make two common mistakes: they generate too many performance measures to satisfy all those interests, or they only measure what they can easily collect.

Further, in today's highly competitive environment, not-for-profit organizations may feel funders or other stakeholders could use the evaluation results to judge their success or failure. Program staff may feel threatened or anxious because they believe results could lead to the discontinuation of their program, lost jobs or increased workloads.

The focus on performance has advantages. It helps to shift the mindset of funders and donors from seeing their contribution as a mere handout to an important investment in meeting critical community needs. A performance focus also motivates not-for-profit organizational leaders to think in terms of generating meaningful program results and achieving them in the most effective way possible.

However, a performance focus can work against achieving the organization's mission if there are unrealistic demands for both the continuous production of tangible outcomes and reduced costs, as well as too much emphasis on numbers and efficiency.

Boards can help ensure that the identification of outcomes and impacts is driven by what is most critical to the people served rather than those only valued by "investors."

The board can support the CEO in addressing these challenges by:
- taking time to be discerning about what is measured by identifying the most relevant drivers of program success
- carefully determining what programs needs to be evaluated and how often (e.g., not every program needs a "deep dive" assessment; in-depth evaluation should only be undertaken periodically)
- considering what amount of evaluation is a reasonable in the circumstances (rather than not conducting evaluation, organizations without the resources for rigorous research may be better off using anecdotal, qualitative information about results, relying on smaller samples or finding ways to collaborate with other organizations.)
- easing fear and anxiety by embracing a culture that nurtures learning, performance and innovation.

Working Collaboratively

There is increasing pressure and opportunity for not-for-profit organizations to work more collaboratively to deliver programs. Collaboration can enhance capacity and help generate more impact for those served. However, collaboration can also create challenges for staff. For example, it can be difficult to:
- align different measurement systems across organizations
- share data and address confidentiality issues
- assign credit for program results
- gain consensus about competing and sometimes conflicting interests
- hold each other accountable for delivering on tasks.

The board can support the CEO in addressing these challenges by:
- ensuring that collaborative partners have upfront discussions to identify key performance indicators
- ensuring that the right amount of time and resources are invested to address the additional challenges of working collaboratively
- being selective about which collaborations and integrations make sense for the organization
- understanding and mitigating the risks involved in collaborative efforts

In summary, a robust program evaluation process, supported by a well-embedded evaluation culture, can help boards of not-for-profit organizations show how their programs and services deliver on its mission and what the organization has accomplished with the resources that have been entrusted to it. Above all, program evaluation can capture the information you need to tell the story about how your organization's programs are making a real difference to the people, communities and causes they were created to serve.

Appendices

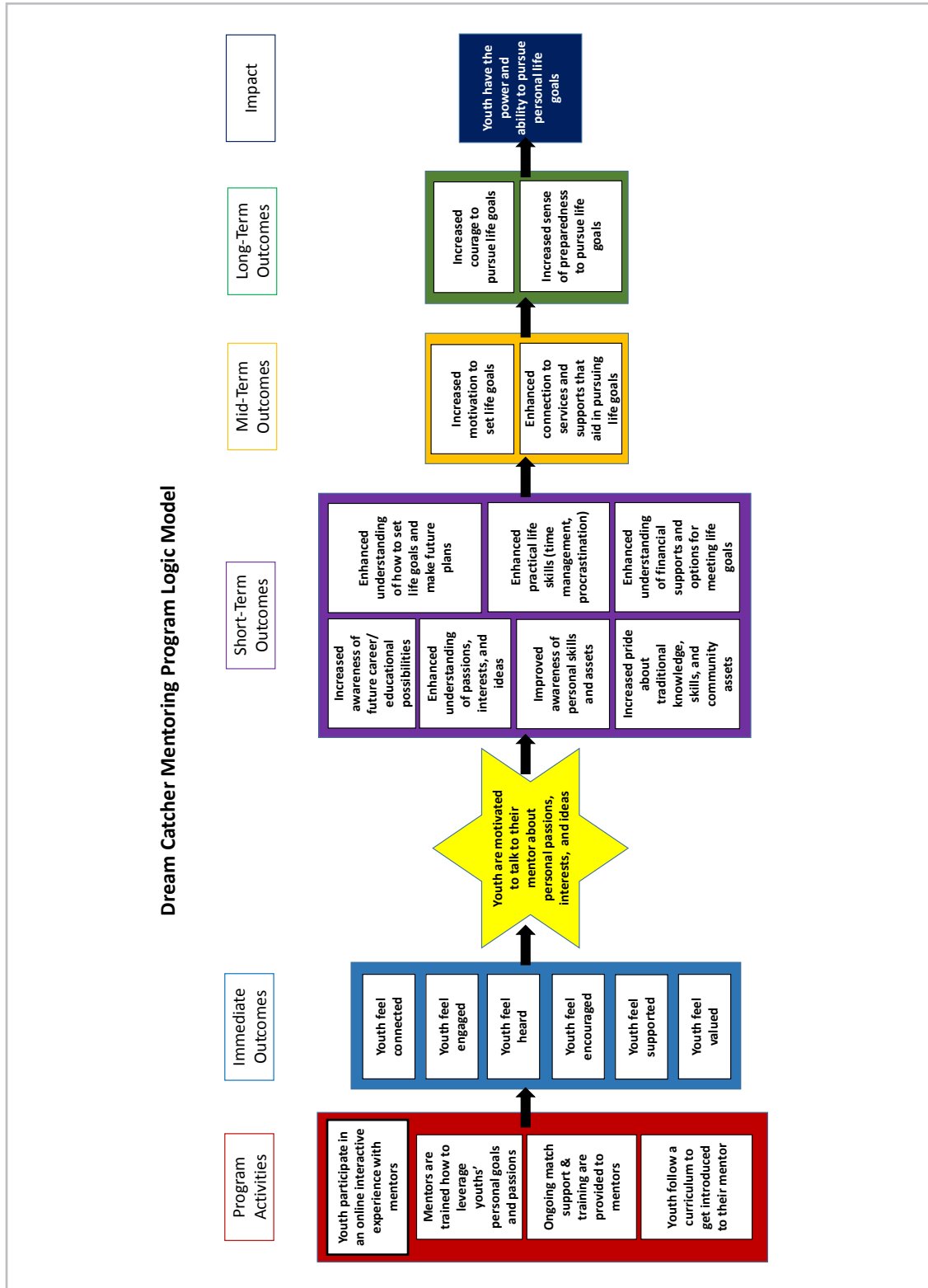## Appendix A: Checklist for Organizational Culture Reviews

Use this checklist to review whether your organization has a culture in place that cultivates and supports program evaluation. If there are gaps identified, encourage and support the CEO to create, revise and implement organizational values and processes so they reflect these characteristics.

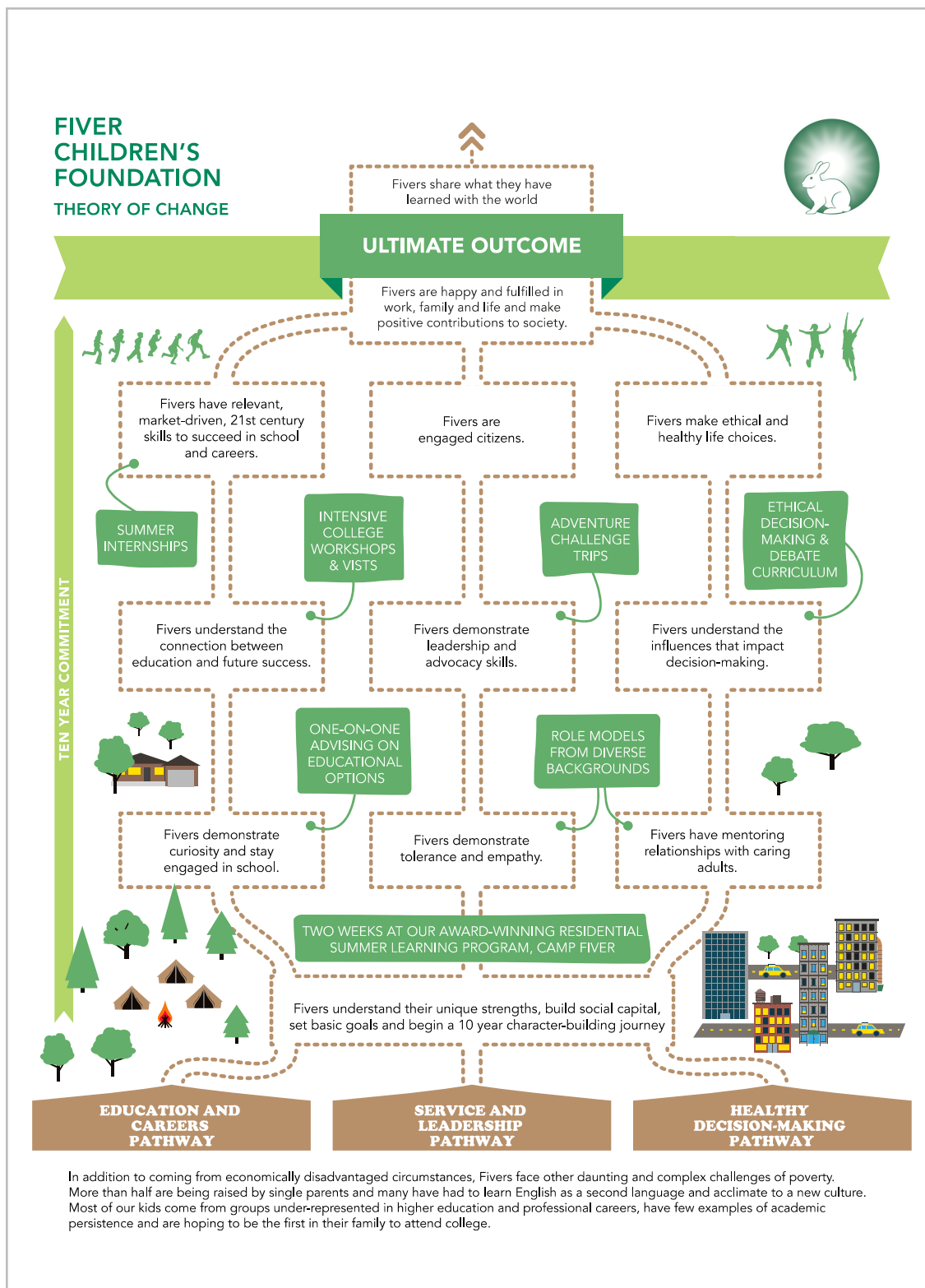| Consider how well your organization demonstrates these characteristics.	Do it very well	Do it somewhat well	Don't do it well
A culture that supports and nurtures program evaluation is demonstrated by these actions:			
• Board, staff and volunteers are passionate about the organization's vision and mission. Mission, goals and strategic priorities are highly visible and drive critical choices. Where a program's outcomes don't align with the mission and goals, the mission is revised or the program is changed or discontinued.			
• Governance and management decisions are based on reliable and thorough information and analysis from multiple sources, gathered in a variety of ways.			
• The board and management are creative and relentless in seeking the resources to build the staff competencies to do things well.			
• Staff members are clear about what is expected of them. A strong commitment at all levels to actively take part in shaping the organization's future and take ownership of results.			

Consider how well your organization demonstrates these characteristics.	Do it very well	Do it somewhat well	Don't do it well
A culture that supports and nurtures program evaluation is demonstrated by these actions: *(continued)*			
• Key stakeholders describe the organization as flexible and adaptive. Strategic directions and priorities shift with new information, conditions and ideas. Change is based on informed discussion and debate.			
• The board and staff strive to go beyond delivering activities to promote tangible and meaningful outcomes.			
• Urgency to get things done is balanced with good processes.			
• Lines of communication cross functions. People collaborate and don't work in siloes.			
• Key stakeholders are regularly asked for their input, and their responses are heard and acted on. Information is shared openly with them in ways that are timely, accurate, thorough and customized to the needs of each audience.			
• Creative solutions and innovation are promoted and used for continuous improvement.			
• Meetings are filled with lively, constructive debate, and result in strategic decisions and actions.			
• There is a formal and regular process for evaluating the CEO, staff and board performance.			
• Technology is highly valued. Investments are made based on careful consideration of its usefulness.			
• The attitudes and beliefs named below are sought and cultivated in recruitment strategies, job descriptions and performance reviews.			

Consider how well your organization demonstrates these characteristics.	Do it very well	Do it somewhat well	Don't do it well
Evaluating the board and management's attitudes, values and beliefs			
• Values honest appraisal, constructive feedback and tolerance for mistakes. Learns from challenges and things that don't work and applies this learning to future improvements.			
• Comfortable with intelligent risk-taking and trying new things.			
• Confident that there are always better ways to do things, while recognizing when something is working well enough.			
• Believes it is important to take time to reflect and keeps digging until the real problems and issues are identified before developing solutions.			
• Demonstrates curiosity and a passion for exploration, discovery and self-examination. Asks difficult questions constructively and listens carefully to the answers.			
• Willing to disrupt old ways of working and challenge assumptions constructively. Comfortable declaring biases and assumptions.			
• Open to constructive dissent and debate. Believes that different perspectives enrich thinking and decision making.			
• Insists on transparency among directors, between the board and staff, among staff and with other key stakeholders.			
• Place a high value on working collaboratively and demonstrate a comfort level with complexity.			

Appendix B: Sample Logic Model

Dream Catcher Mentoring Program Logic Model

Program Activities	Immediate Outcomes		Short-Term Outcomes	Mid-Term Outcomes	Long-Term Outcomes	Impact
Youth participate in an online interactive experience with mentors	Youth feel connected		Increased awareness of future career/educational possibilities			
Mentors are trained how to leverage youths' personal goals and passions	Youth feel engaged		Enhanced understanding of passions, interests, and ideas			
Ongoing match support & training are provided to mentors	Youth feel heard	Youth are motivated to talk to their mentor about personal passions, interests, and ideas	Enhanced understanding of how to set life goals and make future plans	Increased motivation to set life goals	Increased courage to pursue life goals	Youth have the power and ability to pursue personal life goals
Youth follow a curriculum to get introduced to their mentor	Youth feel encouraged		Improved awareness of personal skills and assets			
	Youth feel supported		Enhanced practical life skills (time management, procrastination)	Enhanced connection to services and supports that aid in pursuing life goals	Increased sense of preparedness to pursue life goals	
	Youth feel valued		Increased pride about traditional knowledge, skills, and community assets			
			Enhanced understanding of financial supports and options for meeting life goals			

Reprinted with permission of Big Brothers Big Sisters of Canada

Appendix C: Sample Theory of Change

Appendix D: Assessment Checklist for Program Evaluation Processes

Use this checklist to determine whether your organization has a good process in place to evaluate programs. If these success factors are present, then celebrate. If not, the board can support the CEO in putting them in place.

To what degree are the following success factors present in our program evaluation process?	Fully present	Somewhat present	Not present
• Integrally linked to the organization's mission, vision, values, strategies and goals, and seen as critical to the organization's sustainability			
• Meets accountability requirements and the organization's learning and strategic needs			
• Integrated with strategic planning processes, resource allocation, engagement strategies and quality improvement systems, and considered as an integral part of program planning and execution			
• Championed by the board, CEO and management, and supported by a culture that promotes learning, performance and innovation			
• Sufficiently resourced (e.g., funds, staff, competencies, time, equipment, software, technical support)			
• Based on a manageable number of clear metrics that key stakeholders agree are critical drivers of program success			
• Designed to get a comprehensive view of all activities and impacts, including successes and failures, opportunities and challenges, issues and unintended results			
• Uses multiple approaches and draws from a variety of perspectives, emphasizing the experience of program participants			
• Information is shared openly and strategically with key stakeholders			
• Continuous process that is regularly reviewed to identify ways to improve its efficiency and effectiveness			

Appendix E: Assessment Checklist for Program Evaluation Reports

Use this checklist to review the effectiveness and completeness of a program evaluation report. If these success factors are not present, the board can support the CEO in putting them in place.

To what degree are the following success factors present in a specific program evaluation report?	Fully present	Somewhat present	Not present
• Describes the program being evaluated, its purpose and how the evaluation was done			
• Accurately and clearly distills the most critical information and lessons			
• Portrays information visually with economy and substance where appropriate			
• Answers the questions that were identified by the board, staff and other stakeholders and meets the needs of all users of the information (together with any customized reports)			
• Establishes credibility by presenting unbiased results and outlines the process that was used to interpret them			
• Provides conclusions that are substantiated by reliable data and evidence			
• Describes unintended results and surprises, if any			
• Includes negative results, if any, and, if data is available, why they occurred			
• Avoids jargon			
• Summarizes staff's challenges in conducting the evaluation and how the challenges were addressed, particularly if they affected the meeting of standards (e.g., confidentiality) or validity of the findings (e.g., lack of conclusiveness due to problems of data)			
• Makes recommendations that are feasible, aligned with the findings and conclusions, and useful for decision making			

Where to Find More Information

CPA Canada Publications on governance
(available at www.cpacanada.ca/governance)

The Not-For-Profit Director Series

20 Questions Series
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about Board Recruitment, Development and Assessment
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about CEO Succession
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about Fiduciary Duty
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about Human Resources
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about Mergers
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about Risk
- 20 Questions Directors of Not-For-Profit Organizations Should Ask about Social Enterprise

Board Briefings
- Accountants on Board—A Guide to Becoming a Director of a Not-For-Profit Organization
- A Guide to Financial Statements of Not-For-Profit Organizations—Questions for Directors to Ask

- Board Oversight of Not-for-Profit Program Evaluation—Questions for Directors to Ask
- Governance for Not-for-Profit Organizations—Questions for Directors to Ask

Board Bulletins

- Advocacy and Political Activities—Questions for Directors to Ask
- Canada's Anti-Spam Legislation ("CASL"): It's the Law on July 1, 2014 —Questions for Directors to Ask
- Cloud Computing for Not-For-Profit Organizations—Questions for Directors to Ask
- The New "Ineligible Individual" Provisions—Considerations for Directors of Registered Charities And Registered Canadian Amateur Athletic Associations

About the Author

Linda Mollenhauer

Linda Mollenhauer is Chair of *Ignite NPS*, a foundation which supports the development and dissemination of research and tools targeted to the leadership of not-for-profit organizations across the sector in Canada. Prior to this, she had a consulting practice for over 20 years, working with funders as well as national, provincial and community based organizations in the not-for-profit sector. She facilitated processes which helped guide them toward excellence in governance, leadership, change management, engagement and planning.

Linda has done workshops and webinars and, in collaboration with other experts, published many practical resources, including *Building a Nonprofit Network*; *Benchmarks of Excellence for the Voluntary Sector*; *A Framework for Success for Nonprofit Federations*; *Transformation in Structure and Governance in National Health Charities*; *A Strategic Planning Toolkit*; and *A Culture of Accountability*. She has also coauthored research papers such as: *Strengthen-ing Collaboration in the Not-for-Profit Sector (Ontario Trillium Foundation)*; and co-developed an online resource called *Collaboration Coach*.

Linda was President and CEO of IMAGINE Canada (the Canadian Centre for Philanthropy) and was the Director of its national social marketing program encouraging giving and volunteering. Recent volunteer activity included helping to develop IMAGINE Canada's accreditation program setting out organizational and governance standards for the sector. She has a Master's degree in communication from Boston University.

CPA

**CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA**

277 WELLINGTON STREET WEST
TORONTO, ON   CANADA   M5V 3H2
T. 416 977.3222   F. 416 977.8585
WWW.CPACANADA.CA