

FINAL PROJECT REPORT TOWARDS
THE FULFILLMENT OF COURSE
REQUIREMENTS FOR A MASTERS
IN SCIENCE DEGREE IN
COMMUNITY ECONOMIC DEVELOPMENT

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A. DEFINITION OF PROBLEM:

Problem statement: If training is not provided, the board of directors and staff of Nueva Esperanza inc., will not be able to envision the intent of the founding board and risk losing its original vision and mission within one board membership cycle beginning in 1993.

Describe/document the need: only three of the original seven board of directors remain on our eleven member board. We have moved away from "professional development people" who we needed, to establish credibility to learn from, and to establish a track record. We have now added more community and constituency members who are less knowledgeable of board responsibilities and developmental issues and processes. Our original three year plan has been successfully completed and a clear roadmap to assist NE in moving ahead into the future needs to be developed.

Analyze/discuss the underlying causes: NE's entire focus was the completion of needed projects in three developmental areas; housing, economic development, and education. These were chosen in order to garner experience in different facets of CED and to establish NE's credibility in Philadelphia CDC circles. Four of NE's original seven board of directors have left the city or retired and the eight new members of our eleven member board though committed to CED are really not aware of development issues and processes, such as the mundane, yet essential issues of personnel policies, compensation, project liability, etc. I believed that our board, like the rest of our community, had not been able to undergo structured reflective praxis that could lead towards making the political/theological/

methodological/connections that would equip them to be more effective "overseers" of our CDC and better community residents.

B. PROJECT GOALS:

1. To develop a mission statement.
2. To establish a board/staff resource that will serve as an introductory primer on CED, our structure, policies, operations, procedures, philosophy and history for all potential and present staff and board members of the organization.

C. METHODS:

My initial strategy was to hold a board/staff meeting to review what I believed to be the problem as I have outlined on the preceding page. I thought we could have a series of meetings and sub-committees that would divide the tasks and areas of work and "tackle" them accordingly. Our initial discussion, showed me that I had miscalculated the capacity of the board of directors. I found that the board had a clear philosophical position regarding CED. While they could not necessarily articulate their position in CED language, the concepts of empowerment, liberation, self-hood, militancy, and self-determination were not only visible in the dialogue but they expressed were non-negotiable, for their continued involvement on the board. Our dialogues did raise an area that the board was anxious to explore. Some board members felt insecure in what their responsibilities are in setting up controls for the organization, insuring compliance by staff and in defining what would constitute responsible oversight by the board. This discussion led to a change in my

priorities, no longer was I to concentrate on the development of a philosophical or "CED values" training manual but instead I need to develop a more technical governance manual. The board and staff also decided to put together a mission statement that would better reflect our common understanding of our work. We then had to set about the task of prioritizing the areas of work in our manual and a process for developing a mission statement. This discussion and the ensuing process has taken well over a year, much longer than had been planned or anticipated. A partial explanation for the length of time consumed is a result of my being better prepared to discuss and handle the philosophical side of CED and not the technical piece, which resulted in our starting the process without any guidance or direction. Our first meetings were very long and were spent defining and redefining the areas that were to be studied. The boards decision not to break into committees, because they felt that they all needed to be part of the process, also lengthened the time committed to the early stages.

D. RESULTS: We have come up with a new mission statement for our CDC which was approved at the November 18th, 1992 board meeting.

The new mission statement reads:

Nueva Esperanza, Inc. is an Hispanic not for profit community based development corporation founded to assist the low and moderate income hispanic community of Philadelphia in developing housing, and economic opportunities. We also are committed to the spiritual, educational and social development of our communities'

people, particularly our youth, by seeking resources, training and experiences that strengthen and build our communities' capacities and institutions.

During the year we also came to a decision as to what should be the contents of the board/staff manual:

NUEVA ESPERANZA

DIRECTORS AND STAFF MANUAL

Chapter One: Nueva Esperanza

The history of NE including the originating vision, original mission statement, project fact sheets, the values and philosophy of NE and community development. An alphabetical biographical paragraph on the founding and subsequent board members of the organization.

Chapter Two: The Board of Directors

The legal definition of a board of directors, responsibilities reviewed under the categories of mission statement, program development and review, fundraising and fiscal oversight, personnel review, and policy planning and implementation. Conflict of interest policy. Job description and committee structure. Bibliography.

Chapter Three: Articles of Incorporation

What are articles, what our articles are and why were they written in that manner. Bibliography.

Chapter Four: Corporate By-Laws

What are by-laws, what our by-laws are and why were they written in that manner.

Bibliography.

Chapter Five: Personnel Policies

Complete personnel policies for the corporation. To include affirmative action policy, substance abuse policy, AIDS education act of Philadelphia, equal employment opportunity sexual harassment and conflict of interest policies. Job descriptions. Bibliography.

Chapter Six: Program Management Systems

Accounting procedures, internal control systems, Organizational chart, filing systems, procurement policies, personal property control, cost allocation plans, and conflict of interest policies. Bibliography.

Chapter Seven: Strategic Planning

A step-by-step review, defining and showing the benefits of a strategic plan. Includes a sample strategic plan and an outline of the process our board has just voted to initiate. Bibliography.

Chapter Eight: Fiscal Systems

Understanding accounting systems, budget, quarterly reports, audits and financial management. Also includes an outline of The Hispanic Century Fund, the foundation that NE hopes to establish. Bibliography.

Chapter Nine: Agendas, Minutes and Financial Reports

A review of board meeting management and a collection of the previous years

Minutes and Financial reports.

Chapter Ten: Glossary

A glossary of CED terminology to acquaint staff and board members to some of the community development jargon of Philadelphia.

To date we have completed three chapters of the manual, one has been ratified by the board with the others to be ratified for final approval at our board retreat on Feb. 20th.

The sixth chapter, Program Management Systems was prioritized for two reasons, first it responded directly to some of the concerns of the board members. Secondly, it is a necessary document for any CDC that intends to use Community Development Block Grant funds in Philadelphia. The chapter was completed first and was ratified by the board in November. It was reviewed by the City Of Philadelphia's Office of Housing and Community Development (OHCD) and we were given an "Excellent" rating for "internal operations procedures" in late December. The fifth chapter, personnel policies was also prioritized due to the our expanding staff and the lack of a personnel policy that dealt with policy issues such as: Aids, Sexual harassment, and general staff policies. The personnel policy has been reviewed by the staff. The board will hold a three hour review to be held prior to ratification at the board retreat on Saturday February 20th 1993.

The chapter on the Articles of Incorporation (chapter 3) has been completed and await ratification at the Feb. board retreat as well. Other chapters are to prioritized at the

retreat for completion by our final board meeting in 1993.

Another result this process has provided has been in the growth of the board as we have worked together on these issues. While working toward consensus on many of these issues we have learned about each individuals attitudes,1111 feelings, desires and in some cases aspirations for our CDC. This has led to a growth in camaraderie, a sharpening of a common focus, and unity of the group.

E. ANALYSIS/ CONCLUSIONS/ RECOMMENDATIONS:

A. General Observations:

1. Community residents are better equipped with CED values than we may perceive them to be. I had assumed that the CED values and philosophy we want expressed in our organization could not be articulated by our board members, and in some cases it might not even be present.
2. If one is going to undergo a process of planning and review much care must be given to the planning of the process. A review of a strategic planning process is a must in order to avoid having your board wander and lose time during meetings. It also would be helpful to have a consultant (which I did not have) who would assist the staff and board in establishing a preliminary process.
3. I found it difficult to estimate the actual amount of time needed to accomplish the planning. I always found myself underestimating the amount of time needed to accomplish the next task in the planning process. It takes time to get people to meetings, go through an agenda and have everybody on the same page at the end of

the meeting.

4. As with all meetings, stick to the agenda and make the meeting enjoyable. Our ability to keep to the task through the early frustrations has made the outcomes more enjoyable and our board meetings are now looked forward to by the board with greater expectation. Many times it seemed as if I should change my NHC-CED project to something more easily controlled, or completed, the plans for a new housing project or a staff directed project where the outcome could be better planned.

5. Be sensitive to new leadership coming from the board. As the process developed board members who were usually more silent began to become more assertive and have begun to play more participatory roles. As a result of this process one of our more silent board members has joined our executive committee and has agreed to serve as board secretary.

B. Item Specific Recommendations:

1. I have found everything we have been taught in the New Hampshire College CED program in relation to the importance of the Mission Statement of an organization to be true. In discussing and developing a new mission statement for Nueva Esperanza, Inc., we have been able to create a common sense of purpose which we hope will help us focus our energies for the next few years. There was a profound sense of accomplishment when the board finally reached consensus. Everyone on the board had ownership. I recommend that every non-profit revisit its mission statement every few years as I have found this a rejuvenating experience.

2. Similar to the above experience, the process of deciding what are the areas where the board needed to have training was also found to be helpful in building board camaraderie and a common sense of purpose. As areas of possible study were reviewed, board members were able to be presented in a non-threatening manner, many of the facets of CED. By presenting every possible CED topic we could think of and having preliminary discussion on the topic, the staff could access to some degree the level of competency on the board. Since this discussion took place after the development of our new mission statement the board was much more comfortable in relating its feelings and desires. The board's comfort led to the prioritizing of items they felt were most urgent for the organization. Again I was surprised by the level of competency of the board in reviewing and prioritizing the areas that were to be developed for the training manual.

3. As mundane as reviewing the Articles of Incorporation and By-Laws of the organization could be, we were able to gain new insight into the history of the organization by coming to an understanding of why the founding members drew up the legal documents in the manner in which they did. In the case of the Articles, one of our founding board members visited with us and shared the hopes and dreams for the organization during its inception. The effect of this review was to further consolidate the board into forging a common understanding of our CED work.

4. I strongly recommend that any community based organization that does not already have a program management system implement one immediately. The results of developing the management system far outweigh the intricacy of developing

a policy that will meet governmental requirements, board understanding, and be simple enough for a small organization to implement. Because Nueva Esperanza uses CDBG funding any written management system must comply with specific CDBG regulations concerning the use of those funds. This particular topic was a concern of the board because we have begun to have developmental projects whose budgets are in the millions of dollars. I believe the development of our Management system has been instrumental in building our boards trust in the staff as they now understand how we have been "doing business" over the last four years. The board has garnered a deeper appreciation for the staff as they have begun to recognize the constraints the regulatory environment places on a community development corporation. Our board has begun to understand that the development "battle" is not just to develop a plan and acquire the financing and build a project but how we report to government is as important. Finally, having the management system in a written board approved form, is helpful to the staff as it adds confidence, clarification of procedure and strengthens our organizations capacity to hold employees accountable.

5. The chapter on personnel policies proved the most difficult of the chapters prioritized because of the many policies that had to be created. This chapter more than any other held the most implications for our board as the values of every individual were tested with each ensuing discussion. Policies such as Affirmative Action and Equal Employment Opportunity did not pose issues for the board but the AIDS policies along with the Smoke Free work place, and Conflict of Interest

policies proved to be controversial. The importance of this issue is not what made them controversial but the ramifications the decisions will have on the organization. Systems were put in place for the yearly evaluation of staff, employee benefits were standardized and grievance procedures were established. The dynamics that these policies instituted at the board were very strong as some board members thought we were "giving away to much" and others believes we could or should do better. I would recommend that any group doing personnel policies for the first time review various policies of CDC's that are comparable in developmental capacity and budget. If a group can first examine what others have as personnel policies it should alleviate some of the tension in the process. In our case I did the research and put together a preliminary draft that was sent to the staff for review. Staff reviewed it individually and responded to me, then we met as a group to follow up on all comments made to me privately. Once we reached consensus with the staff it went to the board for review. If I could do this again I would collect all the information from other groups and form a committee of board and staff members (despite the boards reluctance to have committees during this process). I would also recommend that personnel policies not be dealt with when or during a process when mission statements are being reviewed or operations procedures are being established. If not for the urgency of having to review and upgrade our inadequate personnel policies I would of left this item for last as it raises the most tension among us due to the personal nature in which the document affects us.

Our next steps will include the conclusion of the manual and then an annual review of its contents by committee. I firmly believe that our organization has vastly improved itself by undergoing a process that it chose for itself as opposed to the one I had outlined for it. As such, I believe my greatest triumph in this entire matter was the ability to let go and allow the process to be moved from where I had brought it to where the board wanted it to go. I have become an even stronger believer that every community based organization must undergo a review of its ruling documentation and that those documents should be living for both the board and staff of an organization. In reflecting on this experience I fear that my inability to capture the powerful changes that have occurred on my board of directors will diminish the importance of this experience for any reader of this document. I can only implore you the reader to consider the possibility of having your board grow 50 to 70% more effective in their commitment, zeal and capacity. If you would enjoy that level of growth explore the possibility...