

The Mission Statement: Review It Frequently

07.13.20 | Linda J. Rosenthal, JD



In [New Year, Great Time to Get Your Nonprofit House in Order](#) (January 29, 2020), Debra Raney of [Independent Sector](#) reminds us that from time to time, nonprofits should get their “house in order” and review policies and procedures.

“Fortunately,” she points out, “[Independent Sector’s Principles for Good Governance and Ethical Practice](#) provide a [roadmap of 33 sound practices](#) your organization can follow to strengthen your commitment to ethics and accountability.” Among the four specific topics that Ms. Raney selected to highlight in her article is [Principle 19: “Review of Mission and Goals.”](#) She asks: “How about your mission and goals? Do they need the once over?”

That struck a chord because of our recent post: [Mission Creep Faced by Detroit Nonprofit](#) (February 13, 2020). Detroit’s [Focus: Hope](#) finally confronted many decades of well-intentioned but out-of-control expansion. Its [efforts were praised](#) as an example of how to deal with this all-too-common problem of nonprofit organizations.

[*Note: This post was written just before the COVID-19 pandemic swept the nation.*]

Principle 19: Review of Mission and Goals

In [New Resource for “Keeping It Ethical”](#) (May 17, 2019) we told you about these Principles. “The goal is to facilitate knowledge and application of these concepts as well as to highlight excellent examples.” The 33 Principles are grouped into four categories: Legal Compliance and Public Disclosure, Effective Governance, Strong Financial Oversight, and Responsible Fundraising.

Along with important topics like [Board Responsibilities](#), and [Review of Governing Documents](#), Principle 19, [Review of Mission and Goals](#) is in the “Effective Governance” category. “The board should establish and review regularly the organization’s mission and goals,” Principle 19 begins, “and

should evaluate, no less frequently than every five years, the organization's programs, goals, and activities to be sure they advance its mission and make prudent use of its resources."

The purpose of a periodic mission reevaluation is "to make sure your programs, goals, and activities continue to advance your mission and make wise use of your resources." It's a matter of the "obligation" imposed on a nonprofit as a steward "of the public's trust."

Mareeja Niaz echoes this sentiment in *Mission Critical* (February 15, 2019) the official IS blog post accompanying Principle 19: "Nonprofit organizations are unique:we're accountable to the public thus it's vital our mission and goals remain relevant."

Mission-Review Timing

Notwithstanding the "no less frequently than every five years" reference in Principle 19, elsewhere in that document, there is an indication that this time frame is *too infrequent*. See, for instance – later in Principle 19: "Every organization should review its formal Mission Statement and other informal references to its vision and strategy as *part of an annual review*." And in *Mission Critical*, Ms. Niaz writes: "Your board is responsible for reviewing the organization's mission and goals *frequently* and should evaluate the progress of the organization against these components consistently." (emphases added)

This mission reevaluation, performed regularly, is not the same as the "run of the mill board meetings and discussions of activities and updates." While ... "discussions of individual program activities and accomplishments are typical of most board meetings, these are not a substitute for a more rigorous periodic evaluation of the organization's overall impact and effectiveness in light of the goals and objectives the board has approved."

An annual review is optimal, but "because of the time and cost involved" certain organizations – including those "whose work is not properly measured in one-year increments, such as scientific research or youth-development programs" – may have to rely on other time frames. In those cases, though, "interim benchmarks can be identified to assess whether the work is moving in the right direction."

Not One-Size-Fits-All

The purpose of a periodic mission reevaluation is "to make sure your programs, goals, and activities continue to advance your mission and make wise use of your resources." It's not a one-size-fits-all matter because of the vast spectrum of organizations and their purposes.

Generally, the items to review are:

- current needs
- anticipated community and program area changes
- changing financial and human resource needs and
- an evaluation of your organization's overall impact and effectiveness.

In particular, there should be special and timely scrutiny of the mission whenever an organization “considers taking on a new business or earned income opportunity.” The board and staff “should examine whether and how that activity will further the organization’s mission and how it will fit in with the organization’s overall revenue mix and staffing allocations.”

A critical part of this analysis should also be whether this new opportunity will result in “an unrelated business income tax and, if sufficiently substantive, could have ramifications for the organization’s tax-exempt status.”

Conclusion

A “nonprofit organization encapsulates its purpose and direction,” Mareeja Niaz reminds us, “with one golden nugget, its mission statement.” This is “... the north star in guiding purpose, dictating goals, and ultimately impacting where your organization is allocating resources. Clear articulation and evaluation of this north star allows your organization to assess which activities remain mission critical.”