

## What Does CQ Measure?

CQ measures four primary capacity indicators (Leadership, Advancement, Treasury and Operations) that are further divided into twelve capacity sub-indicators (Mission, Board, Executive Staff, Fundraising, Marketing, Communications, Planning & Budgeting, Financial Management, Financial Reporting, Human Resource Management, Infrastructure and Program Management):

**I. LEADERSHIP:** a fully informed Board vesting itself and the Executive Staff with the authority and responsibility to execute the organization’s precise mission with discipline.

1. **Mission** (What the nonprofit does for whom)
2. **Board** (Directors or Trustees of a nonprofit organization with the fiduciary responsibility and legal liability to act in the best interest of the organization)
3. **Executive Staff** (Under the direction of the Chief Executive Officer, the Executive Staff — CEO, CFO and CDO — having Board-delegated authority and responsibility to manage a nonprofit organization)

**II. ADVANCEMENT:** a Board-engaged system for gaining assent for the nonprofit organization’s mission using strategic communication assets designed to inform and persuade key constituencies (donors, clients, media, policy-makers, funders and the general public).

4. **Fundraising** (Securing individual and institutional financial resources to advance the nonprofit’s mission)
5. **Marketing** (Time, talent and treasury voluntarily provided by key publics — donors, clients, media, policymakers, funders and the general public — in exchange for tangible and intangible benefits provided by the nonprofit)
6. **Communications** (Systematic story-telling by a nonprofit to its key publics)

**III. TREASURY MANAGEMENT:** partnership of Board and Executive Director to ensure the fiduciary obligations associated with fiscal policymaking, budget formation, resource generation, financial management and compliance.

7. **Planning & Budgeting** (the nonprofit's plan to fulfill its mission expressed in terms of dollars)
8. **Financial Management** (financial analysis and forecasting in combination with cash, investment, borrowing and banking management)
9. **Financial Reporting** (numeric and narrative management tools that testify to a nonprofit's internal financial position, results of activities, cash flows and external accountability)

**IV. OPERATIONS:** the equation whereby the right people plus the right tools plus the right programs equal high mission performance.

10. **Human Resource Management** (paid staff and unpaid volunteers — including Board members — who put a nonprofit's mission into practice)
11. **Infrastructure** (Board-ensured facilities and technology required to fulfill a nonprofit's mission)
12. **Program Management** (the implementation and evaluation of programs, projects and activities used in fulfillment of a nonprofit's mission)

READINESS: