

# Strengthening NPO skills and processes

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As an important contributor of skills and research to the non-profit, higher education and philanthropy sectors, Inyathelo shares trends towards ensuring NPO sustainability in 2021.

**Capacity building:** Against the backdrop of the pandemic, building capacity at non-profit organisations (NPOs) has become more important than ever as they strive to meet escalating demands for their services and facilities, while struggling with limited human and financial resources.

Based on our clinic sessions, we know there is a great need for trustworthy advice and education across a wide range of topics. We receive queries spanning bookkeeping and invoicing, resource mobilisation and governing bodies, and much more. The advisory sessions conducted by Inyathelo practitioners are mostly about funding practices and how to attract funding. Our bespoke governance work with non-profit board members has seen a significant uptake. Raising awareness of the need for proper training, and fulfilling it, will be a priority.

**Accreditation:** Linked to the need for education, we anticipate growing emphasis on professionalisation and accreditation in the non-profit sector. We have been engaging with various university bodies, such as the Centre on African Philanthropy and Social Investment at Wits Business School, to ensure that, with time, NPO practitioners will be able to progress from basic introductory studies to a doctoral degree.

**Effective boards:** The roles and responsibilities of board members have come to the fore during the pandemic. The crisis has highlighted their important role in oversight of strategy, fulfilment of organisational mission, risk management and financial management and sustainability. We anticipate increasing emphasis on governance education. Inyathelo offers a bespoke series with non-profit's board members taking a practical approach to facilitate governance effectiveness. This will go a long way towards ensuring practices are up to date, with trustees better informed about their fiduciary duties and responsibilities and with robust financial checks and balances in place.

**Addressing diversity and inclusion:** Cases of gender-based violence, sexual harassment and racism in NPOs have shown that boards lack sufficient experience in the oversight role of managing equality, diversity and inclusion. The consequences are toxic work environments, poor retention of good staff, and reputational damage.

Inyathelo has already worked extensively on governance and leadership training and workshops to assist NPOs and boards: We have been the custodian of the Independent Code of Governance in South Africa, developed by civil society organisations to promote good governance, high standards and best practice among NPOs. We have also produced a set of educational books called *The Board Walk Good Governance Guide* series.

Given the clear need for greater support to boards, we plan to produce more publications covering equality, diversity, inclusion and ethics, in our revised *Board Walk* series. We have accordingly held workshops in Cape Town and Johannesburg with diversity and inclusion practitioners to discuss the challenges. Download a copy of the report [here](#).

**Finance:** Many NPOs are either unaware about the tax and other financial benefits available to them, or they have been poorly advised. There is a need to grow financial literacy in the NPO sector and build capacity around budgeting, planning,



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accounting, analysing, compliance and reporting. Non-profits can then reap the benefits and tax advantages available.

**Risk management:** Risk is a situation where an organisation can be exposed to danger. In the corporate world, dedicated risk managers are becoming the norm, but for NPOs, we see the risk portfolio being driven by organisational leaders. In 2021, it will be of utmost importance for NPOs to not only assess financial risk, but also the risks presented by technology, human resources, premises, processes, leadership and governance structures.

**Income stream diversification:** In a time of severe financial constraints, we see growing emphasis on the need to diversify income streams. Possible interventions range from seeking new funding streams, to selling goods or services. We also recommend ensuring that organisations work toward building a reserve fund if it does not already have one. Reserves are important for risk mitigation, unexpected costs and challenging times.



Feryal Domingo, operations director, Inyathelo



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For example, Inyathelo is in the fortunate position of owning an attractive and well-designed office space, thanks to The Atlantic Philanthropies and Inyathelo's own sustainability reserves. Rental of hot desks and other facilities as a lessor contributes to Inyathelo's long-term financial sustainability. Inyathelo also has knowledge resources in the form of a funding data base, and books on sale, as another earned income stream.

**Technology:** The pandemic has ensured that more NPOs have got to grips with new technology. They have signed up for webinars and online learning and explored new donor sources, such as crowdfunding. However, we have found that many NPOs cannot access online learning as they cannot afford the data. As a result we have launched a campaign to raise funds to cover the cost of data for NPOs that are struggling financially. Supporters can donate via crowdfunding platform backabuddy [here](#), or via the Inyathelo website [here](#). We hope, too, that tech donor partners will continue to support NPOs with video conferencing and remote working tools, as well as data.

**Teaching and learning:** It is important for NPOs to recognise that the whole world of teaching, learning and continuing professional development has changed dramatically because of the virus and that technological platforms for teaching and learning and the free online courses offered by universities globally are important for knowledge management and ongoing professional development. Blended learning will become an important feature of the new way of being during and post-Covid-19.

In conclusion, Covid-19 has highlighted both the vital role and the vulnerability of NPOs. These organisations need greater support to become more financially stable and self-sufficient in order to function effectively.

## ABOUT THE AUTHOR

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