

# Mission Possible | Understanding & Developing an Effective Mission Statement

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No one-size-fits-all description of a Community Action Agency (CAA) exists. CAAs serve diverse populations, operate in a range of areas, and fulfill a variety of needs. There is no doubt that reducing poverty and enabling self-sufficiency are principal goals, but every CAA has a different environment in which it operates and different approaches to both the problem and its solutions. As a result, there is no easy answer to the question: What is the mission of our CAA?

A CAA's mission is often embodied in a number of "statements" that address the legal boundaries of a CAA's activities, its present performance, and future goals. These statements include the more well-known mission statement and statement of purpose as well as the lesser known vision statement, statement of values and goals statement. A CAA should periodically review its mission statement and other related statements to ensure that they remain consistent with each other, with the work being done within the organization and with future goals of the CAA. Engaging in the statement creation and review process benefits an organization because it forces a reality check regarding the organization's status and direction and results in updated, consistent and current statements.

This article will demystify these various statements and aid your CAA in crafting statements that not only accurately and concisely reflect your organization but also help focus strategic planning and decision making.

## Statement of Purpose

### Nonprofit CAAs

The nonprofit corporation laws of most states require a broad statement of purpose in the organizing document of a nonprofit (usually called the articles of incorporation). This statement of purpose provides the outer legal boundary for the activities of nonprofit CAAs. As a result, it is usually in the best interest of a nonprofit CAA for the statement of purpose to be drafted as broadly as possible.

In addition to state law, the federal Internal Revenue Code (IRC) imposes further responsibilities on nonprofits that are tax-exempt under IRC section 501(c)(3), including nonprofit CAAs. The Internal Revenue Service (IRS) requires, as a condition of 501(c)(3) status, that the statement of purpose language

in the articles of incorporation assert that the corporation is organized and operated exclusively for charitable purposes. The following is an example from the CAPLAW Bylaws Toolkit of sample nonprofit CAA purposes language for inclusion in articles of incorporation:

*The corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as hereafter amended, (the "Internal Revenue Code" or the "Code") or the corresponding provision of any future United States internal revenue law. Specifically, the corporation's purposes are to reduce poverty, revitalize low-income communities, and empower low-income individuals and families to become self-sufficient by: creating economic, educational and other opportunities for and providing a range of services to low-income families and individuals; mobilizing resources directed to the elimination of poverty; and educating the public on issues of poverty and community revitalization. The corporation shall conduct its activities primarily in [specify geographic region and state in which the CAA is located and operates], however, it may operate in such other geographic areas as it deems useful and expedient.*

**A CAA should periodically review its mission and related other statements**

Unless required to do so under state law, CAPLAW does not recommend including purposes language in CAA bylaws. If purposes language is included in the bylaws, the CAA must ensure that the purposes language in the bylaws remains consistent with the language in the articles of incorporation and must amend the bylaws each time the purposes language in the article of incorporation is revised.

### Public CAAs

Public CAAs are local government entities. Unlike nonprofit CAAs, there is not always a document that defines the outer bounds of the activities of a public CAA. If such a document exists and it delegates certain activities to the CAA, then this document will often include the equivalent of the purposes language in the articles of incorporation of a nonprofit CAA.

## Mission Statement

### What is a mission statement?

A mission statement is a relatively short statement that explains the purpose or mission of your CAA. A mission

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statement can fill a number of roles including: (1) a measure for decision making about additional programs or activities or changes in programs or activities, (2) a way to help those unfamiliar with your CAA understand what it does, and (3) a means of rallying stakeholders – such as clients, employees, and funding sources - around your CAA's mission.

## Why have a mission statement?

A well-crafted mission statement clarifies a CAA's purpose, guides decision making, and summarizes a CAA's major activities. A mission statement is not usually required by law; however the IRS asks for a brief description of the filing organization's mission in Line 1 of Parts I and III of the Form 990, the annual information return filed by tax-exempt organizations including nonprofit CAAs. Additionally, the IRS has developed a check sheet for use by its agents in examining exempt organizations that includes a question asking whether a 501(c)(3) exempt organization has a written mission statement that reflects its current exempt purposes.

Management researchers have acknowledged the importance of mission statements for some time. W. Edwards Deming and Peter Drucker, prominent management thinkers with substantially different approaches to business, have each addressed the importance of a mission statement. Deming placed "constancy of purpose" as the first of his 14 points that describe his approach to quality and business, and Drucker discussed the importance of "common vision" and "unity of direction."<sup>1</sup>

A mission statement can be useful in a number of other ways, as well. An effective mission statement can form the basis for an "elevator speech" about your CAA that can be used by board members and staff to quickly describe your CAA to outsiders and potential funding sources. Additionally, a mission statement that is prominently displayed on a CAA's website immediately informs visitors of the overall purpose of the organization.

## How do you create an effective mission statement?

There are as many ways to write a mission statement as there are mission statements. However, there are several constants in the process that help to produce an effective mission statement. These constants are: (1) commitment from the top down and (2) participation from a wide range of stakeholders. Here are steps to help guide your process:

## Step 1:

### Define the Process

Even though the exact process depends on a CAA's specific needs, one common, often fruitful method, is to conduct a retreat with a representative group of the stakeholders of an organization such as board members, community leaders and members, staff members, and clients. The retreat may take the form of a part-day or full-day session in a conference room or of

an off-site gathering over a longer period of time.

The advantages of a retreat are that it demonstrates the commitment of top management to the mission statement development process and it gives a significant number of the various stakeholders an opportunity to share their views of the CAA's mission. A potential downside of this approach is that it may take time away from executing the CAA's mission in order to develop or revise a mission statement. However, in the long run, the CAA will more than likely find that time spent on crafting and revising the mission statement is time well spent.



If your CAA is unable to have a retreat, then a series of meetings may suffice and ease the time commitment on the CAA's stakeholders. Additionally, surveys could be used to obtain the input of CAA stakeholders. CAAs subject to open meeting laws should be sure to take these laws into account when planning the mission statement process.

## Step 2:

### Determine the Mission Components

Once the process is established, the next step is to determine the items that constitute the mission of your CAA. The goal in this step is to generate a list of specific items that define your CAA. At this stage it is critical to have a wide selection of your stakeholders involved. Some questions to ask:

- What does your CAA do on a daily basis?
- How does your CAA achieve its mission?
- Who is impacted by your CAA?
- Where does your CAA operate?
- Does your CAA have specific values that set it apart from other organizations?

The responses to these questions could be elicited from the group in a written survey form or as a group activity. The answers to these questions will form the building blocks for the next stage of the process in which the mission statement is drafted.

Dr. Lisa McNary, a management consultant and instructor at North Carolina State University recalls her mentor, Dr. W. Edwards Deming, describing the following exercise as useful in developing a mission statement:

*Ask the top managers this: "Your organization has died and at the memorial service for the organization with all of its stakeholders present, a spiritual leader states, "Here lies [fill in the organization's name]. It is an organization that was loved and will be missed. It will be remembered forever for: \_\_\_\_\_."*<sup>2</sup>

What goes in the blank is the essence of the organization's mission.

## Step 3:

### Craft the Mission Statement

Now that the building blocks of the mission statement have been established, it is time to arrange those blocks into a coherent mission statement. This mission statement must contain enough substance to appropriately convey the mission of the CAA but be concise enough so that the CAA's stakeholders can easily memorize and recite it. There are no universally applicable rules here, but some helpful guidelines are:

- State the mission actively (for example, CAA [verb]).
- Include whether the CAA is a nonprofit or a public entity.
- Keep the mission statement short, but provide enough detail to make decisions based on the mission statement (for example, if someone proposed a new program during a board meeting, could the mission statement provide guidance as to whether the suggested program would be consistent with the mission of the organization?).
- Stick to specifics.

For example, if a CAA were to decide that its mission components are (1) reducing the impact of poverty; (2) by offering job training, housing assistance, and social services; (3) in Tremont County, then an effective mission statement could be:

*Tremont County Community Action Agency, Inc. is a nonprofit, 501(c)(3) organization that, by mobilizing public and private resources and coordinating a comprehensive network of educational, economic and social services in Tremont County, reduces poverty and enables low-income people in Tremont County to become self-sufficient.*

A focus on the mission elements above can help to avoid “fluffy” statements such as:

*Tremont County Community Action Agency strives to be the premiere social services agency and achieve the reduction of poverty with integrity and sensitivity.*

While the second statement expresses some of the values of the organization, the statement lacks specific mission elements. There is nothing wrong with including values in a mission statement, so long as the values are paired with specific mission elements. For example:

*Tremont County Community Action Agency, Inc. is a nonprofit, 501(c)(3) organization that, by mobilizing public and private resources and coordinating a comprehensive network of educational, economic and social services in Tremont County, reduces poverty and enables low-income people in Tremont County to become self-sufficient. TCCAA will achieve its mission with compassion, integrity, and cultural sensitivity.*

## Step 4:

### Sharing the mission statement

Once a mission statement is drafted or revised, it should be shared with the stakeholders of the organization, including the public. Employees and board members should be able to recite the mission statement and it should be the easy answer when someone asks “So, what does your organization do?” The mission statement should be prominently displayed in any reports created, in high-traffic areas of the CAA's facilities, and on management and board meeting agendas as a constant reminder of the CAA's mission.

## Step 5:

### Going Beyond the Mission Statement

The process of crafting a mission statement is a useful framework for completing a broader review of the CAA's values and goals. The mission statement and the planning process can be used to conduct additional strategic planning. A CAA's strategic plan should be consistent with its mission statement; this is the first step to making the mission statement functional and not simply a slogan.

*A CAA's strategic plan should be consistent with its mission statement*

There are other statements that may be created during the mission statement drafting process. These statements, briefly discussed in the remainder of this article, are not intended to provide the specific guidance of a mission statement but can help to guide the longer-term plans of the CAA. Every CAA has different needs, and one or more of these optional statements may make sense for your CAA. These statements can provide the foundation for long-term planning and mission evaluation for a CAA.

### Vision Statement

A vision statement is an aspirational statement that asserts how the organization will evolve and grow in the future. This statement may take the form of either how you want the world to view your organization or how you want your organization to change its surroundings. While a mission statement mostly addresses the present, a vision statement addresses the future.

**Example:** *We envision a community where individuals and families can find the means to prosper with access to quality education, affordable housing and health care, gainful employment and meaningful involvement in civic life. We believe that through coordinated community partnerships, low-income people can find the support, resources and relationships that will help them overcome economic, racial or cultural barriers to self-sufficiency.*

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## Goals Statement

A goals statement is a list of specific achievements that an organization would like to achieve in the future. While both the goals and vision statements are focused on the future, a goals statement contains more specific aspirations than a vision statement. For example, an excerpt from a goals statement might read “will move 500 people from poverty to self-sufficiency by the end of the year 2011.” A goals statement provides your CAA with “mile-markers” to evaluate its progress over time. The statement should be written with a specific time frame in mind (e.g. 5 years) and should be revised when that time frame expires.

## Statement of Values

This is a broad statement of what your organization believes and the values that help define the mission of your CAA. This statement may be in a list or narrative form. The values in this statement should guide and underlie the mission or vision statements developed for the CAA.

### Example:

#### *Respect:*

*We value the strengths and assets of the people and organizations with whom we work.*

#### *Integrity:*

*We believe in listening honestly, processing and reporting information accurately and following through on our commitments.*

#### *Cultural Competence:*

*We value meaningful relationships among people of diverse cultural, racial and socioeconomic backgrounds.*

#### *Optimism:*

*We believe it is possible for Tremont County residents and organizations to improve the quality of life for everyone in the County.*

## Further Resources

Additional resources for mission statement creation are available online at websites such as: [www.virtualcap.org](http://www.virtualcap.org), which has a number of planning documents that could be useful in mission statement creation, and [www.boardsource.org](http://www.boardsource.org), which has several resources available on mission statements.

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# Health Care Reform

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the 2011 data necessary to report the value of health plan coverage on employees' 2011 W-2 forms.

- CAAs with unionized workforces should become familiar with the law's new requirements before negotiating new collective bargaining agreements.
- CAAs should stay tuned for regulatory guidance from the U.S. Departments of Treasury, Labor and HHS.

For more information and updates on regulatory guidance, CAAs can visit the Health Care Reform Information page on CAPLAW's website [www.caplaw.org](http://www.caplaw.org). They can also visit [www.healthcare.gov](http://www.healthcare.gov), the website run by HHS. It contains information for individuals and employers, including an interactive timeline, the full text of the legislation, and an insurance finder tool, which provides a variety of insurance options depending on a person's state of residence, age and circumstances.

See article end notes on page 19.

# Article End Notes

## DAB Examines Grant Termination Resulting from Non-Compliance

1. The complete decision can be found online at <http://www.hhs.gov/dab/decisions/dabdecisions/dab2301.pdf>.
2. 45 C.F.R. § 74.62(a) (3); Renaissance III, DAB No. 2034, at 11 (2003).
3. 42 U.S.C. § 5714-2(a).
4. Tuscarora Tribe of North Carolina, DAB No. 1835 (2002).
5. Tuscarora Tribe of North Carolina, DAB No. 1835 at 13 (2002).
6. Asian Media Access, DAB No. 2301, at 17 (2010).
7. Renaissance III, DAB No. 2034, at 12 (2003).
8. Asian Media Access, DAB No. 2301, at 17 (2010).

## DAB Upholds Denial of Continuation Award and Repayment of Disallowed Expenditures

1. The complete decision can be found online at <http://www.hhs.gov/dab/decisions/dabdecisions/dab2306.pdf>.
2. 45 C.F.R. Part 16, App. A, ¶ C. (a)(3).
3. 45 C.F.R. §74.90.
4. Vance-Warren Comprehensive Health Plan, Inc., DAB No. 2180, 2-3.
5. 45 C.F.R. §74.28.
6. 45 C.F.R. §74.21(b)(2).
7. HHS Grants Policy Statement, II-61.
8. 2 C.F.R. Part 230, App. B, ¶ 8.c.
9. Vance-Warren at 16.
10. OMB Circular A-122, App. B, ¶ 12.b(i).

## Head Start Enrollment and Eligibility Requirements Refresher

1. U.S. Government Accountability Office Testimony Before the Committee on Education and Labor, House of Representatives, *Head Start Undercover Testing Finds Fraud and Abuse at Selected Head Start Centers*, May 18, 2010, (GAO-10-733T) ("GAO Testimony").
2. Letter from Kathleen Sibelius to the Honorable George Miller, Chairman, Committee on Education and Labor, May 17, 2010 ("Sibelius Letter").
3. GAO Testimony at 6.
4. GAO Testimony at 5.
5. 42 U.S.C. 9836; 645(a)(1)(B), 645A(c).
6. 45 C.F.R. 1305.4; 42 U.S.C. 9840; 645 (a)(1)(B).
7. 42 U.S.C. 9840; 645(a)(1)(B).
8. 42 U.S.C. 9835; 640(d)(1).
9. 45 C.F.R. 1305.3(b), Head Start regulations require that each Head Start grantee have an approved service area and that service area must not overlap the service area of another grantee.
10. Office of Head Start-Policy Clarification-I-043 (OHS-PC).
11. 45 C.F.R. 1305.4.
12. OHS-PC-I-015.
13. 42 U.S.C. 9836; 645A(c)(12). Early Head Start grantees must (1) assist pregnant women to access comprehensive prenatal and postpartum care, (2) provide pregnant women and other family members, as appropriate, with prenatal education on fetal development (including risks from smoking and alcohol), labor and delivery, and postpartum recovery (including maternal depression) and (3) provide information on the benefits of breastfeeding to all pregnant and nursing mothers.
14. OHS-PC-I-080.
15. OHS-PC-I-086.
16. Id.
17. OHS-PC-I-002.
18. OHS-PC-I-016.
19. OHS-PC-I-005.
20. OHS-PC-I-020.
21. 42 U.S.C. 9840; 645(a)(1)(C); OHS-PC-I-008.
22. OHS-PC-I-008.
23. OHS-PC-I-011.
24. OHS-PC-I-005.
25. OHS-PC-I-034.
26. Attachment to Administration for Children and Families-Information Memorandum-HS-07-05 (ACF-IM).
27. OHS-PC-I-006.
28. OHS-PC-I-007.
29. 45 CFR 1305.2.
30. Administration for Children and Families-Program Instruction-HS-09-04 (ACF-PI).
31. ACF-PI-HS-09-04.
32. 45 CFR 1305.4; ACF-PI-HS-10-02.
33. Sibelius Letter.
34. OHS-PC-I-085.
35. 45 CFR 1305.4; ACF-PI-HS-10-02.
36. OHS-PC-I-008.
37. OHS-PC-I-007.
38. ACF-PI-HS-10-02; see also Head Start Eligibility Verification form at <http://eclkc.ohs.acf.hhs.gov/hslc/Program%20Design%20and%20Management/Head%20Start%20Requirements/PIs/2010/Head%20Start%20Eligibility%20Verification%20Form,%20expires%2002-28-2013.pdf>.

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1. Jean Vogt, *Demystifying the Mission Statement*, NONPROFIT WORLD, January/February 1994, at 29, 29, available at <http://www.snpo.org/samples/V120129.pdf> (last visited 04/05/2010); *The Deming System of Profound Knowledge*, The W. Edwards Deming Institute Website, available at <http://deming.org/index.cfm?content=66> (last visited 04/05/2010).
2. Personal communication (November 17, 2009).

## What Health Care Reform Means for Community Action Agencies

1. A copy of the Patient Protection and Affordable Care Act (Pub.L. 111-148), as modified by the Health Care and Education Reconciliation Act (Pub.L. 111-152) is available online at <http://docs.house.gov/energycommerce/ppacacon.pdf>. When citing the statutory changes, we have cited to the U.S. Code provisions where the changes will be codified; the easiest way to find these changes is to download the combined document previously mentioned in this endnote and search for the U.S. Code citations.
2. 29 U.S.C. § 207.
3. 75 Fed. Reg. 34,537, 34,558-60, 34,562-65 (June 17, 2010).
4. Id. at 34,559-60 and 34,564.
5. Id. at 34,558.
6. 42 U.S.C. § 300gg-14.
7. 75 Fed. Reg. 27,122, 27,135-36 (May 13, 2010).
8. IRS Notice 2010-38, 2010-20 I.R.B. 682, available at <http://www.irs.gov/pub/irs-irbs/irbio-20.pdf>.
9. 42 U.S.C. § 300gg-11.
10. 75 Fed. Reg. 37,188, 37,223-24 (June 28, 2010).
11. 42 U.S.C. § 300gg-3.
12. 42 U.S.C. § 18001.
13. 42 U.S.C. § 300gg-12.
14. 75 Fed. Reg. 37,188, 37,225, 37,231.
15. Id. at 37,225; 37,231.
16. 42 U.S.C. § 300gg-11.
17. 42 U.S.C. § 300gg-3.
18. 42 U.S.C. § 300gg-7.
19. 42 U.S.C. § 300gg.
20. 42 U.S.C. § 300gg-16; 26 U.S.C. § 105(h).
21. 42 U.S.C. § 300gg-19.
22. 42 U.S.C. § 300gg-13.
23. 42 U.S.C. § 300gg-19a.
24. Id.
25. 75 Fed. Reg. 37,188, 37,225-27, 37,232-33.
26. Id. at 37,240.
27. 26 U.S.C. §§ 106(f), 220(d)(2)(A), 223(d)(2)(A).
28. 26 U.S.C. §§ 220(f)(4)(A), 223(f)(4)(A).
29. 26 U.S.C. § 125(i).
30. 26 U.S.C. § 6051(a).
31. See IRS webpage "Affordable Care Act Tax Provisions" available at <http://www.irs.gov/newsroom/article/0,,id=220809,00.html?portlet=6>.
32. 42 U.S.C. § 300gg-15.
33. 29 U.S.C. § 218b.
34. 26 U.S.C. § 6055.
35. 26 U.S.C. § 6056.
36. 29 U.S.C. § 218a.
37. 26 U.S.C. § 5000A(f).
38. 26 U.S.C. § 4980H(a).
39. 26 U.S.C. §§ 4980H(b); 36B(c)(2)(C).
40. 42 U.S.C. § 18101.
41. 26 U.S.C. § 4980H.
42. 26 U.S.C. § 4980I.
43. 42 U.S.C. § 13031.
44. 42 U.S.C. § 1302(b).
45. Id. at 13022.
46. 42 U.S.C. § 18022.
47. 42 U.S.C. § 18071.
48. 26 U.S.C. § 36B.
49. 42 U.S.C. § 18071.
50. 42 U.S.C. § 13031.
51. 42 U.S.C. §§ 13031, 18024.
52. 42 U.S.C. § 18032.
53. 42 U.S.C. § 18091.
54. Id.
55. Id.
56. 42 U.S.C. § 1396a.
57. 42 U.S.C. § 1397ee(b).
58. 42 U.S.C. § 1395w-152.
59. 42 U.S.C. §§ 1395w-102, 1395w-114a.

## Health Reform Law Expands Form 1099 Reporting

1. See Patient Protection and Affordable Care Act, Pub. L. 111-148, § 9006.
2. See 26 U.S.C. § 6041(a), 26 C.F.R. § 1.6041-1(a)-(b) and 1.6041-3(p), and Instructions to Form 1099-MISC, available at <http://www.irs.gov/pub/irs-pdf/i1099misc.pdf>.
3. See H.R. 5141 and Apr. 26, 2010 press release "Lungren Fights for Small Business" on Rep. Lungren's website <http://lungren.house.gov/index.cfm?sectionid=39&parentid=6&sectiontree=6,39&itemid=544>.