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More About Capacity Building

For the purposes of the 2024 ACI Capacity Building + General Operating grant application, we define capacity building as: ***the continual investment in the ability of a nonprofit to strategically achieve its mission - now and into its future.***

This strengthening is carried out through activities that are executed in a set period of time. These activities focus on building the systems, structures, cultures, skills, resources, and power that the organization needs to serve its community.

This is adapted from the Quad Cities Community Foundation, US Department of Education and Philanthropy MA.

Why is capacity building important?

Capacity building allows an organization to remain in service to its community by:

- Strengthening its ability to establish long-term goals, then break this goal in to short-term, achievable steps
- Establishing adaptable systems so that it can respond to the changing needs of the community it serves
- Being strategic and visionary, rather than concentrating only on today's issues
- Embracing a mindset of abundance and humility to recognize that opportunity can come from collaboration and centering community
- Being imaginative and transformative, rather than doing what's always been done

What are some examples of capacity building? Why might an organization consider capacity building?

- There may be **internal** factors or potential risks that require an organization to consider capacity building. For example:
 - A founder has been at the organization for 17 years. The Board is primarily made up of individuals who were brought in by the founder. Staff and Board rely on the founder for vision. The organization might consider capacity building to develop a succession plan so that it can continue to serve the community regardless of the leader.
 - A theater company suddenly receives a transformative sum of money from federal funds. The organization might consider capacity building to build financial capacity so that they can immediately fulfill the grant terms and in the long term, ensure that the funds are strategically utilized.
- There may be **external** factors or potential risks that require an organization to consider capacity building. For example:

- A pandemic indirectly results in audiences consuming performing arts in very different ways, therefore, reducing ticket sales. The organization might consider capacity building to re-evaluate its program delivery and program content so that it can respond to these unexpected changes.
- A music education organization is used to drawing its enrollment from the immediate neighborhood. Because of gentrification and other factors, families are moving away. While it's not an immediate issue, the organization sees that enrollment may begin to decline. The organization might consider capacity building to re-evaluate who it serves, then develop a plan to ensure this community can access the program.
- When Dance Company X first opened, there were no other dance companies within a 10 mile radius. Now, 10 years later, there are 3 dance companies in the neighborhood and relationships are becoming strained as each company tries to maintain its audience base. Together, these organizations might consider capacity building to assess areas of overlap and uniqueness so that they can better serve their communities.