Telling your Financial Story

Communicating Financial Information for Action

Steve Zimmerman

August 27, 2025

spectrum nonprofit services

1

1

This presentation was made possible by Cooperative Agreement, Award Number 90EV0523, from the Administration on Children, Youth, and Families, Family and Youth Services Bureau, U.S. Department of Health and Human Services. Its contents are solely the responsibility of the author(s) and do not necessarily represent the official views of the U.S. Department of Health and Human Services.

2

2

Welcome!

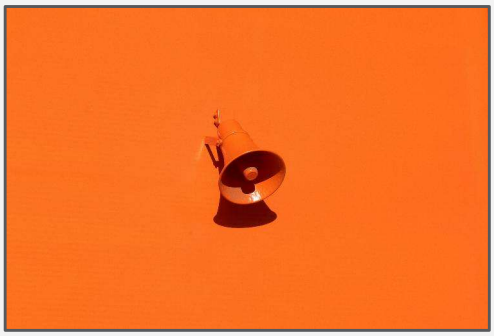


Photo by Julia Kicova on Unsplash

Our Conversation Today

- ✓ Introduction
- ✓ Nonprofit Trust
- ✓ Internal Controls
- ✓ Reading and Assessing Financial Statements
- ✓ Communicating Financial Information
- ✓ Dashboards
- ✓ Up Next

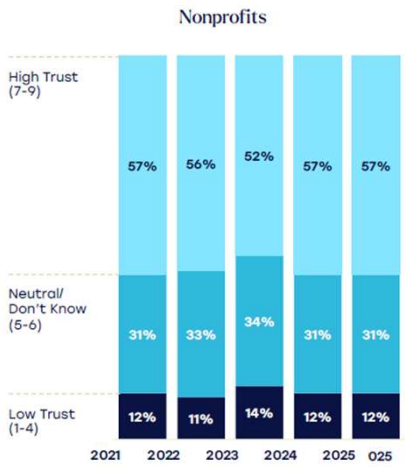
3

3

Communicating financial information is vital to building public trust, the currency of the nonprofit sector

4

4



Nonprofit trust rebounds after four years of decline in 2024 and continues to hold steady into 2025.

Source: Independent Sector 2025 Trust in Nonprofits and Philanthropy Sector Report

5

5

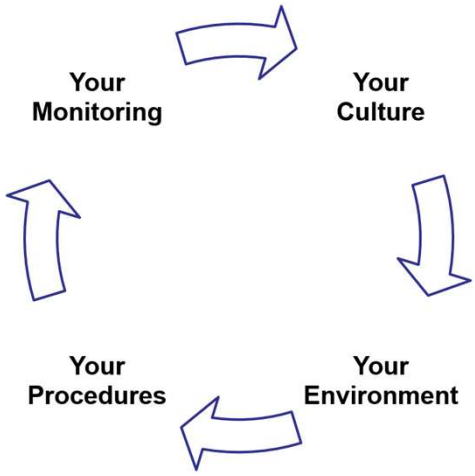
Building nonprofit trust starts internally within the organization

6

6

Internal Controls

A system for building trust and ensuring financial accuracy within an organization



7

7

Internal Controls Recap

- A system that defines roles and segregates duties across a financial process
- Why have them?
  - Safeguard the assets of the organization
  - Efficiency of the operations
  - Reliability of financial reporting
  - Compliance with applicable laws & regs.

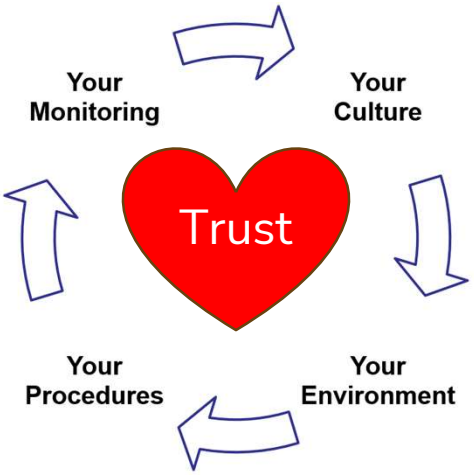
Write and mail checks
Reconcile bank statement
Record credit / debits
Approve payroll
Disburse petty cash
Authorize check requests
Authorize invoices for payment

Receive and open bank statement
Sign checks
Make deposits
Distribute pay checks
Review petty cash and bank recs
Approve vendor invoices
Sign contracts
Make compensation changes
Review account activity

8

8

With a system to build financial trust in place, where do we go from here?



9

9

Reading and Assessing Financial Statements

Telling the Organization's Financial Story to Build Trust with your Stakeholders

Statement of Activities
For the nine months ending September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	90,000		90,000
Foundation grants	25,000	198,530	223,530
Fundraising events, net	76,300		76,300
Total Support	191,300	198,530	389,830
Government contracts	340,000	-	340,000
Fee for Service	4,700	-	4,700
Investment Income	3,965	-	3,965
Total Revenue	348,665	-	348,665
Net Assets Released from Restriction	204,580	(204,580)	
Total Support and Revenues	744,545	(6,050)	738,495
EXPENSES			
Program Services			
Education & awareness	150,979	-	150,979
Counseling services	424,860	-	424,860
Consulting	29,944	-	29,944
Total Program Services	605,783	-	605,783
Supporting Services			
Administration	67,031	-	67,031
Fundraising	59,862	-	59,862
Total Support Services	126,893	-	126,893
Total Expenses	732,675	-	732,675
Increase in Net Assets	**$ 11,870**	**$ (6,050)**	**$ 5,820**
NET ASSETS			
Beginning of the year	184,795	160,800	345,595
End of the year	196,665	154,750	351,415

10

10

Why do people read financial statements?

Understand organization's financial health

Make strategic decisions about where to invest in the future.

Ensure assets are being used effectively to accomplish the mission.

11

11

Formats and Intricacies

What makes financial statements difficult

Expense Classification

Accrual Accounting

This Photo by Unknown Author is licensed under CC BY

Source Budget

12

12

Expense Classifications

Natural

Describes what the expense was for:

Examples

- Salaries
- Rent
- Technology
- Depreciation

Functional

Describes the purpose of an expense by its category.

Examples

- Programs
- Management & General / Administration
- Fundraising

13

13

Two Types of Accounting

Cash Basis

This Photo by Unknown Author is licensed under CC BY-SA

Accrual

This Photo by Unknown Author is licensed under CC BY

14

14

Cash vs. Accrual: An Example

How It Happened		
Item	**Month**	**Amount**
Work performed	May	
Employees paid	May	$7,500
Expenses paid	June	$3,500
Work billed	June	$10,000
Money received	August	$10,000

Month	Cash
May	($7,500)
June	($3,500)
July	--
August	$10,000

Month	Accrual
May	($7,500) ($3,500) $10,000 ($1,000)
June	--
July	--
August	--

15

15

Budgets

Funding Source

Program Budget

16

16

Different Audiences Have Different Needs

Board

Finance Committee

Staff

17

17

Photo by davide ragusa on Unsplash

Customization Is Key

Who is your audience?

What information do they need?

What decision do we want them to make?

18

18

Staff

Natural Classification; Source Budget

Activity Source Budget
Education and Awareness

	Education & Awareness	Foundation A	Foundation B	Foundation C	County Contract	State Contract	Amount Remaining to fund
Salaries	93,700	13,000	12,700	8,500	25,500	34,000	-
Benefits	14,055	1,950	1,905	1,275	3,825	5,100	-
Personnel Expense	107,755	14,950	14,605	9,775	29,325	39,100	
Professional Fees	19,900				8,500	11,000	400
Supplies	8,770	4,650		470	2,500	1,150	-
Telephone	1,078	300		300	270	208	-
Postage	572	150		150	125	147	-
Occupancy	2,662				1,000	1,662	-
Depreciation	1,430	550		600			280
Insurance	1,364	400		205	400	359	-
Technology	638		640				(2)
Travel	2,700	1,000		1,000			700
Printing	4,110	2,000		1,000	1,110		-
Total Direct Exp.	$ 150,979	$ 24,000	$ 15,245	$ 13,500	$ 43,230	$ 53,626	$ 1,378
Admin. Allocation %	23%						
Admin. Allocation	15,204	3,400	1,555	2,500	3,459	4,290	-
Total	**$ 166,183**	**$ 27,400**	**$ 16,800**	**$ 16,000**	**$ 46,689**	**$ 57,916**	**$ 1,378**

19

19

Board

Functional Expenses; Program Budget

Summarized Statement of Functional Income & Expenses
For the Nine Months Ending September 30, 2025

	Program Activities			*Supporting Activities*			
	Education & Awareness	**Counseling**	**Consulting**	**Admin**	**Fund- raising**	**Shared Costs**	**TOTAL**
Contributions					90,000		90,000
Foundation grants					25,000		25,000
Fundraising events, net					76,300		76,300
Total Support	-	-	-	-	191,300	-	191,300
Government contracts		340,000					340,000
Fee For Service			4,700				4,700
Investment Income				3,965			3,965
Total Revenue	-	340,000	4,700	3,965	-	-	348,665
Net Assets Released from Restriction	144,080	25,000	35,500				204,580
Total Income	**$ 144,080**	**$ 365,000**	**$ 40,200**	**$ 3,965**	**$ 191,300**	**$ -**	**$ 744,545**
Personnel Expense	96,370	224,020	21,045	34,960	37,950	51,750	466,095
Non-Personnel Expenses	31,300	157,400	6,780	13,000	3,900	54,200	266,580
Total Specific Costs	127,670	381,420	27,825	47,960	41,850	105,950	732,675
Shared Costs Allocation %	22%	41%	2%	18%	17%		100%
Allocation of Shared Costs	23,309	43,440	2,119	19,071	18,012	(105,950)	-
Expense without Admin.	150,979	424,860	29,944	67,031	59,862	-	732,675
Admin Allocation %	23%	64%	4%	-100%	9%		
Admin. Allocation	15,204	42,784	3,015	(67,031)	6,028		
Total expenses after allocations	**$ 166,183**	**$ 467,643**	**$ 32,959**	**$ -**	**$ 65,890**		$ 732,675
Surplus / (Deficit)	**$ (22,103)**	**$ (102,643)**	**$ 7,241**	**$ 3,965**	**$ 125,410**		**$ 11,870**

Base for Admin Allocation	$ 732,675
	$ (67,031)
	$ 665,644

20

20

Summarized Statement of Functional Income & Expenses
For the Nine Months Ending September 30, 2025

	Program Activities			*Supporting Activities*			
	Education & Awareness	**Counseling**	**Consulting**	**Admin**	**Fund- raising**	**Shared Costs**	**TOTAL**
Contributions					90,000		90,000
Foundation grants					25,000		25,000
Fundraising events, net					76,300		76,300
Total Support	-	-	-	-	191,300	-	191,300
Government contracts		340,000					340,000
Fee For Service			4,700				4,700
Investment Income				3,965			3,965
Total Revenue	-	340,000	4,700	3,965	-	-	348,665
Net Assets Released from Restriction	144,080	25,000	35,500				204,580
Total Income	**$ 144,080**	**$ 365,000**	**$ 40,200**	**$ 3,965**	**$ 191,300**	**$ -**	**$ 744,545**
Personnel Expense	96,370	224,020	21,045	34,960	37,950	51,750	466,095
Non-Personnel Expenses	31,300	157,400	6,780	13,000	3,900	54,200	266,580
Total Specific Costs	127,670	381,420	27,825	47,960	41,850	105,950	732,675
Shared Costs Allocation %	22%	41%	2%	18%	17%		100%
Allocation of Shared Costs	23,309	43,440	2,119	19,071	18,012	(105,950)	-
Expense without Admin.	150,979	424,860	29,944	67,031	59,862	-	732,675
Admin Allocation %	23%	64%	4%	-100%	9%		
Admin. Allocation	15,204	42,784	3,015	(67,031)	6,028		
Total expenses after allocations	**$ 166,183**	**$ 467,643**	**$ 32,959**	**$ -**	**$ 65,890**		$ 732,675
Surplus / (Deficit)	**$ (22,103)**	**$ (102,643)**	**$ 7,241**	**$ 3,965**	**$ 125,410**		**$ 11,870**

Base for Admin Allocation	$ 732,675
	$ (67,031)
	$ 665,644

21

21

Summarized Statement of Functional Income & Expenses
For the Nine Months Ending September 30, 2025

	Program Activities			*Supporting Activities*			
	Education & Awareness	**Counseling**	**Consulting**	**Admin**	**Fund- raising**	**Shared Costs**	**TOTAL**
Contributions					90,000		90,000
Foundation grants					25,000		25,000
Fundraising events, net					76,300		76,300
Total Support	-	-	-	-	191,300	-	191,300
Government contracts		340,000					340,000
Fee For Service			4,700				4,700
Investment Income				3,965			3,965
Total Revenue	-	340,000	4,700	3,965	-	-	348,665
Net Assets Released from Restriction	144,080	25,000	35,500				204,580
Total Income	**$ 144,080**	**$ 365,000**	**$ 40,200**	**$ 3,965**	**$ 191,300**	**$ -**	**$ 744,545**
Total expenses after allocations	**$ 166,183**	**$ 467,643**	**$ 32,959**	**$ -**	**$ 65,890**		$ 732,675
Surplus / (Deficit)	**$ (22,103)**	**$ (102,643)**	**$ 7,241**	**$ 3,965**	**$ 125,410**		**$ 11,870**

22

22

Budget to Actual Comparison
For the nine months ending September 30, 2025

	YTD Actual	YTD Budget	Difference B/(W)	Annual Budget	$ Remaining	% Remaining
SUPPORT AND REVENUES						
Contributions	90,000	60,000	30,000	145,000	55,000	38%
Foundation grants	25,000	75,000	(50,000)	100,000	75,000	75%
Fundraising events, net	76,300	70,000	6,300	70,000	(6,300)	-9%
Total Support	191,300	205,000	(13,700)	315,000	123,700	39%
Government contracts	340,000	337,500	2,500	450,000	110,000	24%
Fee for Service	4,700	15,000	(10,300)	20,000	15,300	77%
Investment Income	3,965	3,750	215	5,000	1,035	21%
Total Revenue	348,665	356,250	(7,585)	475,000	126,335	27%
Net Assets Released from Restriction	204,580	200,000	4,580	275,000	70,420	26%
Total Support and Revenues	744,545	761,250	(16,705)	1,065,000	320,455	30%
EXPENSES						
Program Services						
Education & awareness	150,979	150,000	(979)	200,000	49,021	25%
Counseling services	424,860	431,250	6,391	575,000	150,141	26%
Consulting	29,944	37,500	7,556	50,000	20,056	40%
Total Program Services	605,783	618,750	12,968	825,000	219,218	27%
Supporting Services						
Administration	67,031	67,500	469	90,000	22,969	26%
Fundraising	59,862	67,500	7,639	90,000	30,139	33%
Total Support Services	126,893	135,000	8,108	180,000	53,108	30%
Total Expenses	732,675	753,750	21,075	1,005,000	272,325	27%
Increase in Net Assets	**11,870**	**7,500**	**4,370**	**60,000**	**48,130**	**80%**
NET ASSETS						
Beginning of the year	-					
End of the year	11,870					

23

23

What numbers are important?

Statement of Financial Position
September 30, 2025

ASSETS	9/30/2025	12/31/2024
Current Assets		
Cash and cash equivalents	$ 122,290	$ 135,940
Donations and grants receivable	105,035	145,340
Other receviables	9,320	12,265
Prepaid insurance	1,330	5,575
Total Current Assets	237,975	299,120
Fixed Assets		
Equipment furniture and fixtures	143,505	125,275
Less accumulated depreciation	(41,525)	(36,580)
Total Fixed Assets	101,980	88,695
Long Term Investments	76,870	75,000
Total Assets	**$ 416,825**	**$ 462,815**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	29,100	85,540
Accrued expenses	25,350	18,300
Current portion of Long term debt	2,420	2,420
Total Current Liabilites	56,870	106,260
Long term debt	8,540	10,960
Net Assets		
Without Donor Restrictions		
Board Designated Funds	50,000	55,000
Fixed Assets, Net	101,980	88,695
Undesignated	44,685	41,100
Total Net Assets Without Donor Restricti	196,665	184,795
With Donor Restrictions		
Purpose Restricted	42,500	55,000
Time Restricted	37,250	30,800
Perpetually Restricted / Endowment	75,000	75,000
Total Net Assets With Donor Restriction	154,750	160,800
Total Net Assets	351,415	345,595
Total Liabilities and Net Assets	**$ 416,825**	**$ 462,815**

Statement of Activities
For the nine months ending September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	90,000		90,000
Foundation grants	25,000	198,530	223,530
Fundraising events, net	76,300		76,300
Total Support	191,300	198,530	389,830
Government contracts	340,000	-	340,000
Fee for Service	4,700	-	4,700
Investment Income	3,965	-	3,965
Total Revenue	348,665	-	348,665
Net Assets Released from Restriction	204,580	(204,580)	
Total Support and Revenues	744,545	(6,050)	738,495
EXPENSES			
Program Services			
Education & awareness	150,979	-	150,979
Counseling services	424,860	-	424,860
Consulting	29,944	-	29,944
Total Program Services	605,783	-	605,783
Supporting Services			
Administration	67,031	-	67,031
Fundraising	59,862	-	59,862
Total Support Services	126,893	-	126,893
Total Expenses	732,675	-	732,675
Increase in Net Assets	**$ 11,870**	**$ (6,050)**	**$ 5,820**
NET ASSETS			
Beginning of the year	184,795	160,800	345,595
End of the year	196,665	154,750	351,415

24

24

Do we have enough cash to pay our bills?

Quick Ratio

$$\frac{\text{Cash \& Cash Equivalents}}{\text{Accounts Payable}}$$

25

25

Quick Ratio Calculation

$$\frac{Cash\ \&\ Cash\ Equivalents}{Accounts\ Payable} = \frac{\$122{,}290}{\$29{,}100} = 4.20$$

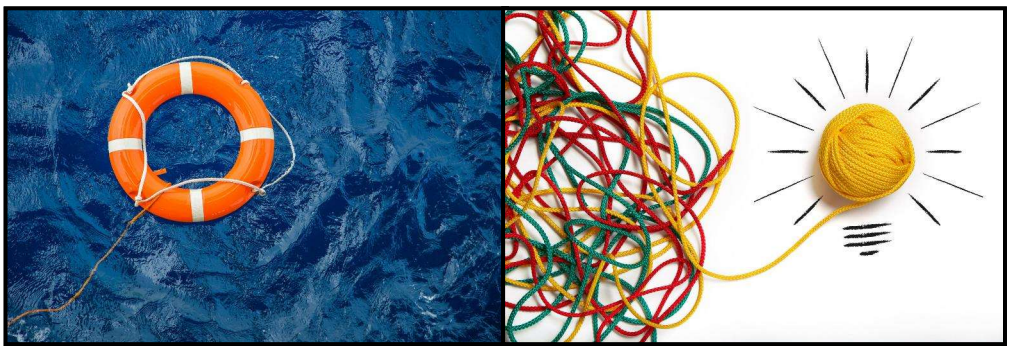
Statement of Financial Position
September 30, 2023

ASSETS	9/30/2023	12/31/2022
Current Assets		
Cash and cash equivalents	$ 122,290	$ 135,940
Donations and grants receivable	105,035	145,340
Other receviables	9,320	12,265
Prepaid insurance	1,330	5,575
Total Current Assets	237,975	299,120
Fixed Assets		
Equipment furniture and fixtures	143,505	125,275
Less accumulated depreciation	(41,525)	(36,580)
Total Fixed Assets	101,980	88,695
Long Term Investments	76,870	75,000
Total Assets	**$ 416,825**	**$ 462,815**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	29,100	85,540
Accrued expenses	25,350	18,300
Current portion of Long term debt	2,420	2,420
Total Current Liabilites	56,870	106,260
Long term debt	8,540	10,960
Net Assets		
Without Donor Restrictions		
Board Designated Funds	50,000	55,000
Fixed Assets, Net	101,980	88,695
Undesignated	44,685	41,100
Total Net Assets Without Donor Restriction	196,665	184,795
With Donor Restrictions		
Purpose Restricted	42,500	55,000
Time Restricted	37,250	30,800
Perpetually Restricted / Endowment	75,000	75,000
Total Net Assets With Donor Restriction	154,750	160,800
Total Net Assets	351,415	345,595
Total Liabilities and Net Assets	**$ 416,825**	**$ 462,815**

26

26

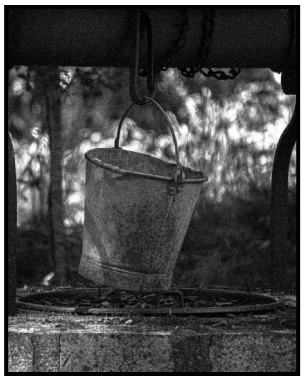
Understanding the Reserve



27

27

Calculating the Reserve



Liquid Reserves

$$\frac{\text{Net Assets Without Donor Restrictions} - \text{Fixed Assets}}{\text{Monthly Expenses}}$$

28

28

Liquid Reserve Calculation

$$\frac{Net\ Assets\ wo\ Donor\ Restr. - Fixed\ Assets}{Typical\ Monthly\ Expen.} =$$

$$\frac{\$196{,}665\ - \$101{,}980}{\$81{,}408} = 1.16$$

Statement of Activities

$$\frac{Total\ Montly\ Expenses}{\#\ of\ Months.} = \frac{\$732{,}675}{9} = \$81{,}408$$

Statement of Financial Position
September 30, 2023

	9/30/2023	12/31/2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 122,290	$ 135,940
Donations and grants receivable	105,035	145,340
Other receivables	9,320	12,265
Prepaid insurance	1,330	5,575
Total Current Assets	237,975	299,120
Fixed Assets		
Equipment furniture and fixtures	143,505	125,275
Less accumulated depreciation	(41,525)	(36,580)
Total Fixed Assets	101,980	88,695
Long Term Investments	76,870	75,000
Total Assets	**$ 416,825**	**$ 462,815**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	29,100	85,540
Accrued expenses	25,350	18,300
Current portion of Long term debt	2,420	2,420
Total Current Liabilites	56,870	106,260
Long term debt	8,540	10,960
Net Assets		
Without Donor Restrictions		
Board Designated Funds	50,000	55,000
Fixed Assets, Net	101,980	88,695
Undesignated	44,685	41,100
Total Net Assets Without Donor Restriction	196,665	184,795
With Donor Restrictions		
Purpose Restricted	42,500	55,000
Time Restricted	37,250	30,800
Perpetually Restricted / Endowment	75,000	75,000
Total Net Assets With Donor Restriction	154,750	160,800
Total Net Assets	351,415	345,595
Total Liabilities and Net Assets	**$ 416,825**	**$ 462,815**

29

29

Finance Committee

A Hybrid

Activity Source Budget
Education and Awareness

	Education & Awareness	Foundation A	Foundation B	Foundation C	County Contract	State Contract	Amount Remaining to fund
Salaries	93,700	13,000	12,700	8,500	25,500	34,000	-
Benefits	14,055	1,950	1,905	1,275	3,825	5,100	-
Personnel Expense	107,755	14,950	14,605	9,775	29,325	39,100	
Professional Fees	19,900				8,500	11,000	400
Supplies	8,770	4,650		470	2,500	1,150	-
Telephone	1,078	300		300	270	208	-
Postage	572	150		150	125	147	-
Occupancy	2,662				1,000	1,662	-
Depreciation	1,430	550		600			280
Insurance	1,364	400	-	205	400	359	-
Technology	638		640				(2)
Travel	2,700	1,000		1,000			700
Printing	4,110	2,000		1,000	1,110		-
Total Direct Exp.	$ 150,979	$ 24,000	$ 15,245	$ 13,500	$ 43,230	$ 53,626	$ 1,378
Admin. Allocation %	23%						
Admin. Allocation	15,204	3,400	1,555	2,500	3,459	4,290	-
Total	**$ 166,183**	**$ 27,400**	**$ 16,800**	**$ 16,000**	**$ 46,689**	**$ 57,916**	**$ 1,378**

Summarized Statement of Functional Income & Expenses
For the Nine Months Ending September 30, 2025

	Program Activities			Supporting Activities			
	Education & Awareness	Counselling	Consulting	Admin	Fund-raising	Shared Costs	TOTAL
Contributions					90,000		90,000
Foundation grants					25,000		25,000
Fundraising events, net					76,300		76,300
Total Support	-	-	-	-	191,300	-	191,300
Government contracts		340,000					340,000
Fee For Service			4,700				4,700
Investment Income				3,965			3,965
Total Revenue	-	340,000	4,700	3,965	-	-	348,665
Net Assets Released from Restriction	144,080	25,000	35,500				204,580
Total Income	**$ 144,080**	**$ 365,000**	**$ 40,200**	**$ 3,965**	**$ 191,300**	**$ -**	**$ 744,545**
Personnel Expense	96,370	224,020	21,045	34,960	37,950	51,750	466,095
Non-Personnel Expenses	31,300	157,400	6,780	13,000	3,900	54,200	266,580
Total Specific Costs	127,670	381,420	27,825	47,960	41,850	105,950	732,675
Shared Costs Allocation %	22%	41%	2%	18%	17%		100%
Allocation of Shared Costs	23,309	43,446	2,119	19,071	18,014	(105,950)	-
Expense without Admin.	150,979	424,860	29,944	67,031	59,862	-	732,675
Admin Allocation %	23%	64%	4%	- 100%	9%		
Admin. Allocation	15,204	42,784	3,015	(67,031)	6,028		
Total expenses after allocations	**$ 166,183**	**$ 467,643**	**$ 32,959**	**$ -**	**$ 65,890**		**$ 732,675**
Surplus / (Deficit)	**$ (22,103)**	**$ (102,643)**	**$ 7,241**	**$ 3,965**	**$ 125,410**		**$ 11,870**
Base for Admin Allocation	$ 732,675						
	$ (67,031)						
	$ 665,644						

30

30

Different Audiences Have Different Needs

Board

Finance Committee

Staff

31

31

Dashboard

Dashboard	Key	
	Red	Act Now
	Yellow	Monitor
	Green	Celebrate

Performance Indicators	Targets	Current Indicator	Trend	Comments	Ranges Cel.	Ranges Mon.	Ranges Act
Finance					Cel.	Mon.	Act
Surplus / deficit compared to budget	within 3%	5%	8%	Measured as % vs. % of year elapsed	w/in 3%	3-10%	>10%
Unrestricted liquidity	> 1.0	0.8	1.2	Ratio = Current assets (Cash & Investments + Accounts Receivable - Restricted cash) / current liabilities	> 1.0	1	< 1.0
Unrestricted contributions (funding diversity)	20% or more	22%	19%	% of individual, corporate & other contributed support to total revenue (excludes foundations)	>= 20%	10-20%	< 10%

32

32

What is on a Dashboard?

Highest level of reporting:

- Fiduciary and governance indicators
- Success measures
- Programmatic/event targets

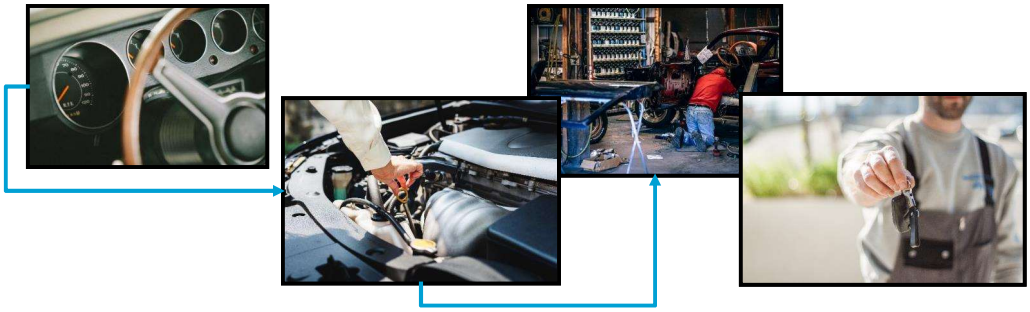
Just because something is NOT on the dashboard, doesn't mean it isn't important.

33

33

Address Key Questions

- What is the organization focused on this year?
- What are the key drivers that will bring success?
- What do we need to be on the look out for?



34

34

Agree ahead of time on…

What Matters

Targets

When **Action** Is Needed

35

35

Determine where to get this information

- Strategic plan or business plan.
- Brainstorm of organization's purpose.
- Mission –
  - Who do you want to serve?
  - What does success look like?
  - What is needed to achieve it?

36

36

Identify your audience

- Board Members
- Staff Leadership
- All Staff

37

37

Example Dashboard Dials

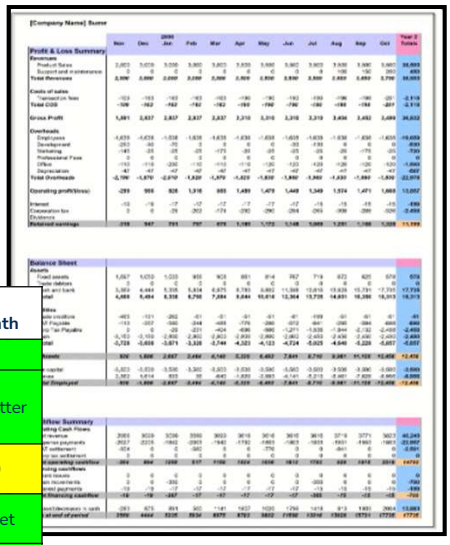
1. Finance
2. Fundraising
3. Program Objectives and Impact
4. Human Capital
5. Compliance & Risk Management
6. Board of Directors and Governance

38

38

Finance

Goal isn't to replace reports, but to convey key indicators that show current status and drive action.



Indicator	Target	6 months ago	3 months ago	This Month
Days of cash on hand	60	25	48	57
Net surplus or deficit YTD compared with YTD budget.	0.0	$10,450 better	$2,500 worse	$5,400 better
Individual Contributions	100,000	50,250	75,000	98,290
Total expenses	On budget	$2,500 worse	$760 worse	On budget
Days from end of month to financial statement completion	45 days	65	52	40

39

39

Fundraising

Track your organization's funding pipeline by balancing new donor cultivation and current relationship stewardship metrics.

Indicator	Target	6 months ago	3 months ago	This Month
New major donors	5 or more	0	2	3
Major donors introduced by a board member	5 or more	3	5	5
Donors who gave over $100 last year, repeating this year	56% or more	38%	60%	53%
Fundraising event revenue - net	> $20,000	$18,000	$20,250	$23,000

40

40

Additional Dials

Program Objectives

- Monitor deliverables
- Connect deliverables and dollars
- Suggest / demonstrate outcomes
- Keep mission in front of management and board

Human Capital

- Connects people processes to performance
- Show the importance to volunteer service to the operations of the organization

Compliance & Risk Management

- Answers the questions the board is required to ask
- Makes critical but less visible work known to staff

Governance

- Makes board performance monitoring more ongoing and less personal
- Connects board performance to organizational performance
- Reminds/Informs staff of board role

41

41

Format Considerations

- Avoid misleading interpretations
- Focus on substance, not style

42

42

XYZ Organization

Key	
Red	Act Now
Yellow	Monitor
Green	Celebrate

Performance Indicators	Targets	Current Indicator	Trend: 3 mos ago	Trend: 6 mos ago	Trend: 9 mos ago	Comments	Ranges: Celebrate	Ranges: Monitor	Ranges: Act Now
Fundraising									
New major donors	5 or more	3	2			Mesaured against how many we want for the year. Donors who give more than $1,000	5 or more	3	2
Major donors introduced by a board member	5 or more	5	5			Measured against how many we want for the year. Not necessairly an "ask" - may be an introduction.	5 or more	3	2
Donors who gave over $100 last year, repeating this year	56% or more	53%	60%			Dones as a % of total donors who gave $100 in time period last year.	> 56%	40-55%	< 30%
Fundraising event revenue - net	> $20,000	$ 23,000	$ 20,250			Proportionately to time of year - desired event revenue for 06-07 is $20,000 net	> $20,000	$18,000-20,000	< = $15,000
Finance							Celebrate	Monitor	Act Now
Surplus / deficit compared to budget	within 3%	5%	8%			Measured as % vs. % of year elapsed	w/in 3%	3-10%	>10%
Unrestricted liquidity	> 1.0	0.8	1.2			Ratio = Current assets (Cash & Investments + Accounts Receivable - Restricted cash) / current liabilities	> 1.0	1	< 1.0
Unrestricted contributions (funding diversity)	20% or more	22%	19%			% of individual, corporate & other contributed support to total revenue (excludes foundations)	>= 20%	10-20%	< 10%
Human Resources							Celebrate	Monitor	Act Now
Staff retention	80%	100%	100%			% of staff with at least 1 year over total staff	80%	70%	60%
Compensation study	7-Feb	Not Done	N/A			next steps by 2/07	Feb-07	Before Feb-07	After Feb-07
Board Governance							Celebrate	Monitor	Act Now
Attendance at board meetings	90%	100%	100%			% of board at last 4 meetings	90%	80%	70%
New nominees meeting criteria	80%	75%	N/A			% of new nominees meeting at least 6 of 9 established criteria	80%	70%	60%
Focus on strategy and generative issues	75%	80%	60%			% of meeting time during last 2 meetings spent on these issues	75%	60%	< 50%
Programs							Celebrate	Monitor	Act Now
# of outreach presentations	35	35	37			Count each session regardless of topic	35	< 30	20
Program Y Activity	500	420	390			Based on previous years' numbers and the strong emphasis on increasing #s	500	375-500	<= 375
Program X Activity	50	60	52			Based on previous years' numbers with some anticipated growth built in.	50	< 45	35
Average client satifisfaction	4.8	4.9	4.8			Out of 1-5 scale. Don't have mechanism in place for averaging all evals. Need to work on consistency between program areas.	4.8	4.3 - 4.0	< 4.0

43

43

Recap

44

44

Different Audiences Have Different Needs

Board

Finance Committee

Staff

45

45

1. Remember nonprofits operate on trust and partnership

2. Internal controls increases the reliability of financial reporting

3. Remember the needs of your audience when presenting financial data

46

46

The Importance of Bringing People Along

47

47

Up Next

48

48

The Cost of Impact: Determining the True Cost of Programs Part I

Tuesday, September 2

5:30 PM – 7:00 PM ET

Photo by Julia Florczak on Unsplash

49

49

See you next time!

Steve Zimmerman

stevez@spectrumnonprofit.com
www.spectrumnonprofit.com
414.226.2322

spectrum nonprofit services

NNEDV

50