


Constructing a Community Action Agency Dashboard

A CAPLAW Webinar

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Nonprofits Assistance Fund



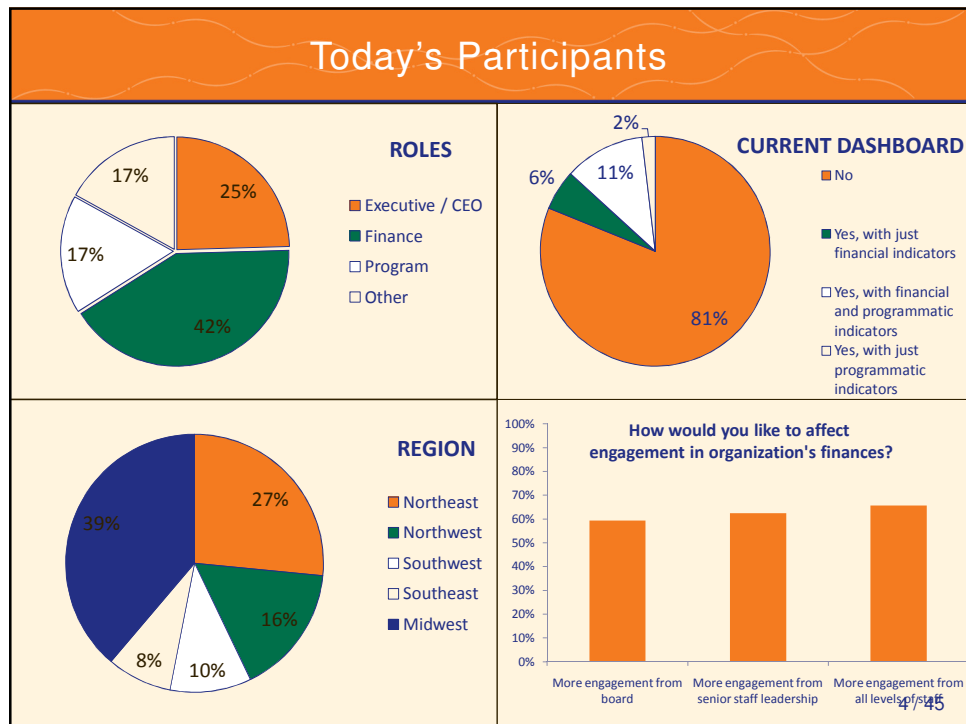
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Helping Nonprofits Thrive

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Our financial experts help nonprofits strengthen their capacity to address unexpected events, finance new opportunities, and realize strategic goals. We fulfill our mission by helping you thrive.

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Goals for Today's Webinar

1. Discuss the purpose of a dashboard report and how it complements other financial reports
2. Review four different types of dashboard reports
3. Provide example benchmarks for use by community action agencies
4. Present an example community action agency dashboard

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Basic “Must Have” Financial Information

- Organizational budget
 - Approved by the board before the fiscal year begins
- Monthly or quarterly financial reports
 - Income Statement
 - Comparison of actual income and expenses to budget
 - Balance Sheet
- Audit report
 - Auditor is hired by the board
- Verification of required reports
 - IRS Form 990, other required forms and registrations

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Types of Financial Engagement

Compliance (maintain accountability)	Evaluation (ask questions, understand info)
Planning (use info)	Action (make decisions)

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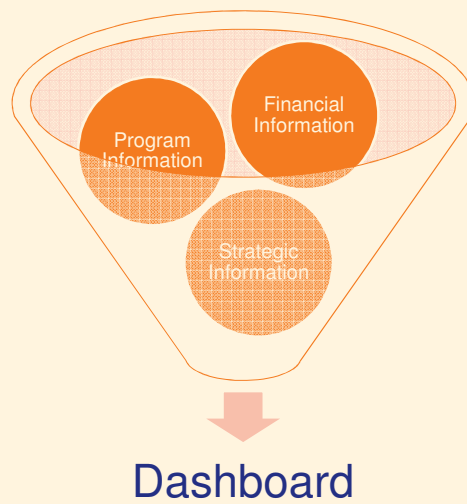
Why Use Dashboard Reports?

- Draw attention to key information
- Bring focus to priorities
- Simplify complex data
- Efficient alert of strengths and risks
- Create incentive for factors being measured



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A Tool to Manage Information



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Types of Dashboards

Organizational

- Looks across the entire organization

Activity-specific

- Looks at a specific functional area of the organization, such as fundraising, an individual program, human resources, etc.

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Types of Dashboards

Technical

- Goal: Optimize operations
- Audience: Staff of various levels
- Focus: day-to-day
- Includes primarily process measures

Strategic

- Goal: Understand and monitor performance
- Audience: High-level organizational leaders
- Focus: long-term
- Includes outcome and process measures
- Includes leading indicators to predict future performance

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Example CAA Dashboard Measures

Technical

- Funder reporting compliance
- Accounts receivable collection
- Program work flows
 - Example: client case work
- Transportation efficiency

Strategic

- Income mix
- Service levels in programs with volume-driven income
 - Head Start
 - Weatherization
- Net financial impact per program
- Significant budget variances

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Technical Dashboard

	Average Number of Days	Goal
Client Intake	6	7
First Counselor Meeting	14	14
Desired Outcome Defined	32	21
Desired Outcome Achieved	195	180
Funder Report Submitted	206	210
Payment Received	236	240
TOTAL - Intake to Payment	236	240

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Technical Dashboard

	Goal	Actual
10 table sponsors secured	2/1	2/5
150 tickets sold	2/15	2/12
20 table sponsors secured	3/1	3/18
Lead sponsor secured	3/1	2/21
300 tickets sold	3/15	3/24
30 table sponsors secured	4/1	
5 sponsors >\$10,000	4/1	
500 Guests	5/1	
Total Raised	\$80,000	

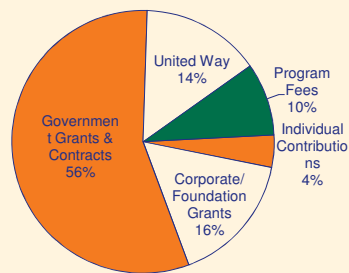
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Strategic Dashboard

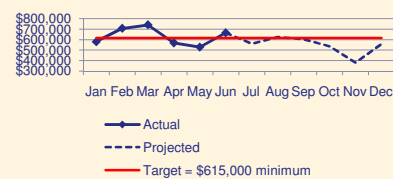
Financial Indicators

	Target	This month	Last month	Last year end
Income Statement				
Surplus/(deficit) YTD	\$270,000	\$390,842	\$340,908	(\$570,240)
Surplus/(deficit) year-end forecast	\$270,000	\$20,037	\$250,987	(\$570,240)
Earned income ratio	11.5%	10.3%	11.8%	13.0%
New grants success ratio	50.0%	35.0%	33.0%	50.0%
Balance Sheet				
Days cash on hand (unrestricted)	45	43	28	51
Reserve funds balance (1 month payroll)	\$250,000	\$200,000	\$150,000	\$250,000
Current ratio	2 to 1	5.8	4.2	6.2
AR aged over 90 days	15.0%	22.3%	23.5%	20.0%

Income by Type



Cash Flow



Program Indicators

	Target	This month	Last month	Last year end
Weatherization Contracts (monthly goal)	20	21	22	15
Head Start enrollment	100	80	58	109
Monthly job placements	30	11	14	32

Types of Dashboards

Technical, organizational	Strategic, organizational
Technical, activity-specific	Strategic, activity-specific

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Developing Your Dashboard

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Developing Your Dashboard

What is the goal of your dashboard report?

Who is your audience?

- Board
- Staff
- External audience

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Developing Your Dashboard

Review content and format of current reports

Discuss with key users of information

Determine scope of dashboard

Assign responsibility for gathering information and creating your dashboard

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Developing Your Strategic Dashboard

Strategic dashboards should include

- Strategic goals
- Financial and programmatic areas
- Risk areas

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Identify Priority Indicators

- Program and financial drivers
- What will move you forward?
- What risks will hold you back?
- What is changing?
- Key priorities
- New initiatives

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Dashboard Content Should Be...

- Meaningful
- Measurable
- Comparable
- Benchmarked
- Relevant to current needs
- Understandable

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Context Needed



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Context Needed

Benchmarked targets or goals are key to useful dashboards



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Compare Your Current Data to...

- Historical information
- Strategic plan goals
- Budgets
- Internal goals or benchmarks
- Peer benchmarks
- Industry standards
- Externally imposed mandates

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Financial Information

From the income statement:

- Business model drivers
- Revenue components
- Budgeted expenses
- Significant expense components
- Program financial results
- Budget priorities

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Financial Information

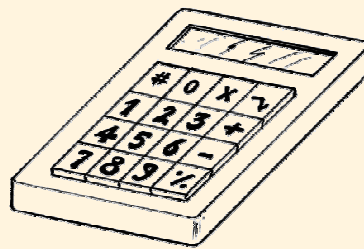
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Using Ratios

- Value of common-sizing
- Consistent data for comparison
- Standardized calculations
- Especially helpful for balance sheet data



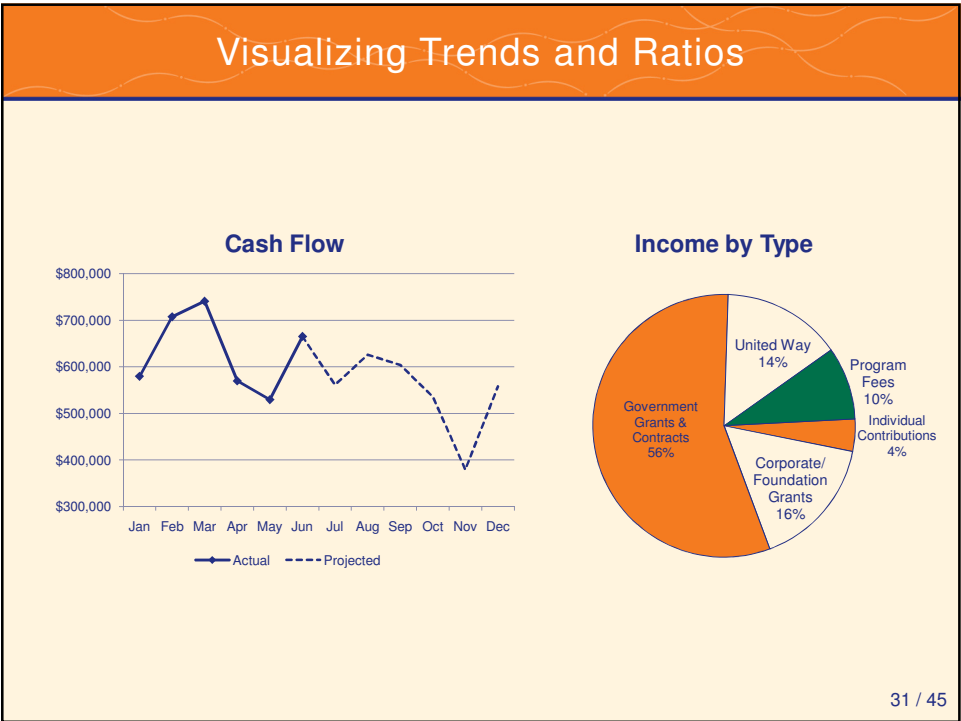
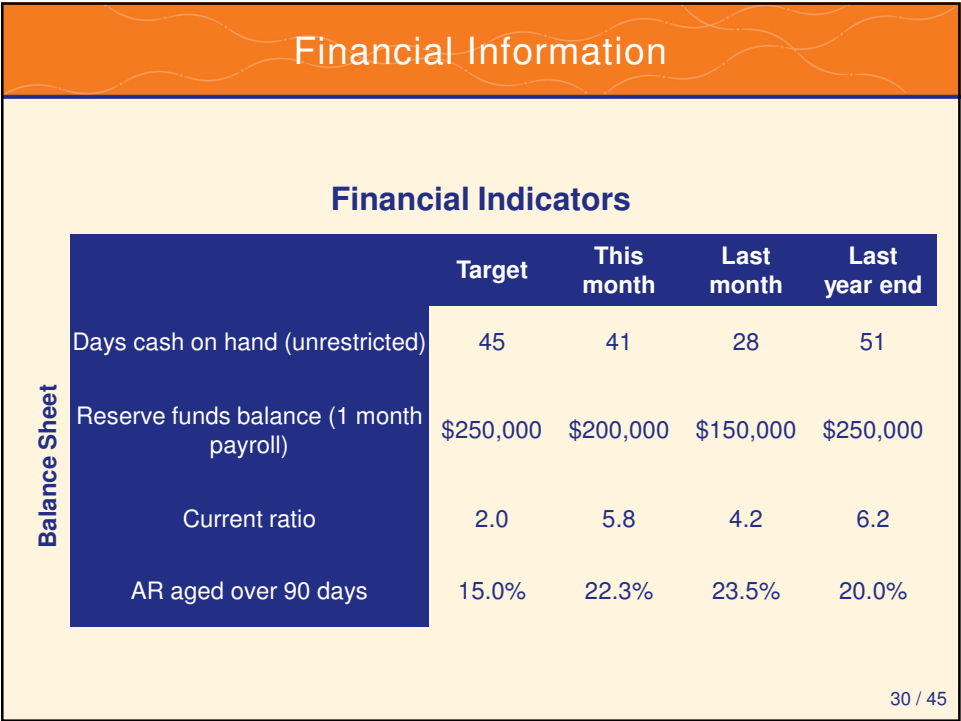
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Financial Information

From the balance sheet:

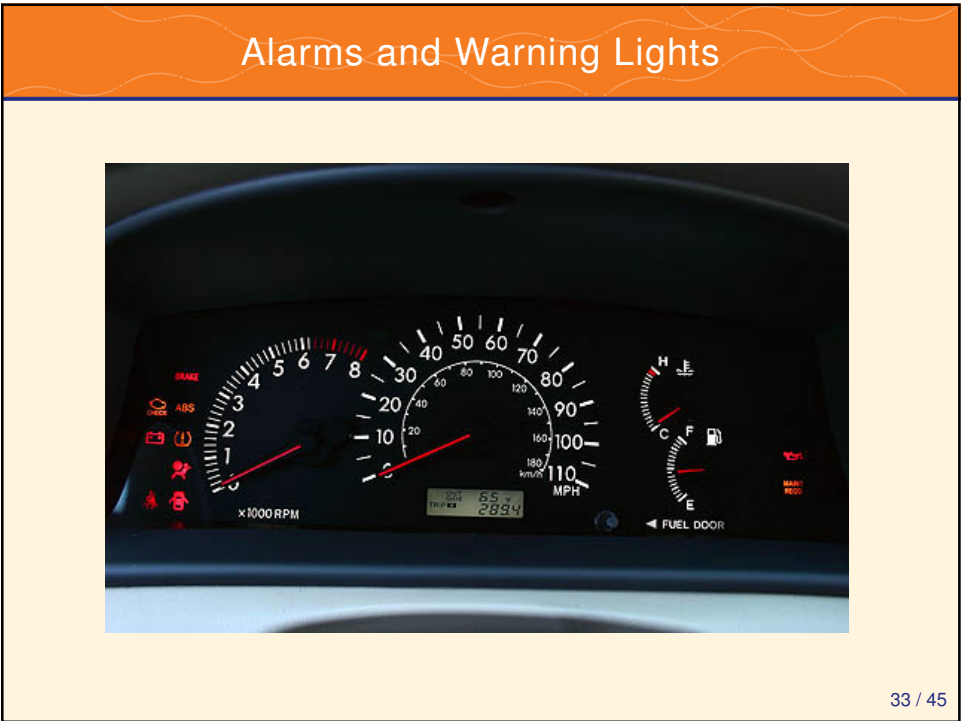
- Liquidity – short and long-term
- Investment performance
- Asset and liability condition
- Restricted funds

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Program Information				
Program Indicators				
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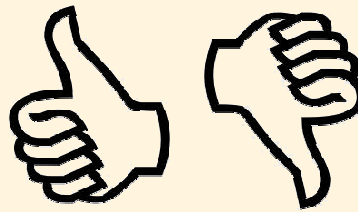
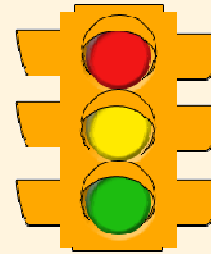
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Parameters

Develop appropriate benchmarks

- Red, yellow, and green lights
- Pass/fail
- Grades and scales
- Thresholds



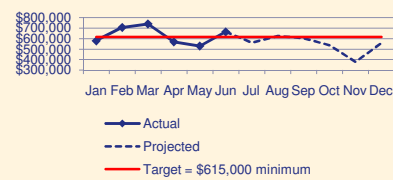
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Status and Warning Parameters

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Cash Flow



Setting Parameters

Financial Indicators

	Act	Watch	Celebrate
Days cash on hand (unrestricted)	< 21	21 - 42	> 42
Reserve funds balance (1 month payroll)	< \$200,000	\$200,000 - \$300,000	> \$300,000
Current ratio	< 1	1 – 1.5	> 1.5
AR aged over 90 days	> 20%	15 - 20%	< 15%

Balance Sheet

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Navigating Ahead



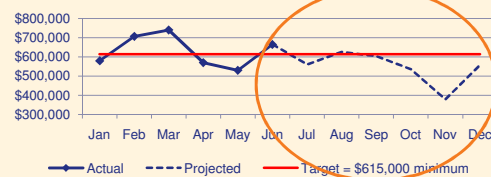
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Navigating Ahead

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Cash Flow



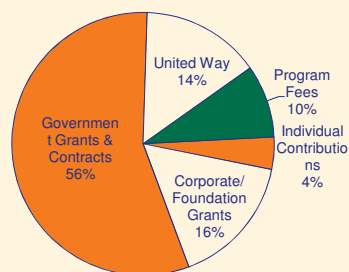
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Finalizing Your Dashboard

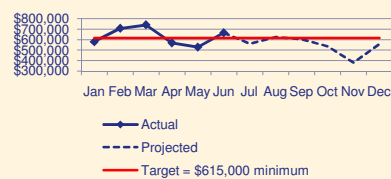
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Cash Flow



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Net Financial Impact per Program

YTD Financial Impact by Program	
Weatherization	58,129
Head Start	-97,486
Workforce Development	88,477
Transportation	9,512
Housing Development	111,011
Administration	221,199
Total Org	390,842

Presenting Your Dashboard

- Train users to understand terminology and implications
- Use alongside other financial statements
- Is there too much information?
- Is information glossed over?



Maintaining Useful Dashboards

- Streamline data collection and input
- Ongoing communication with users
- Focus on changing priorities
- Review content annually
- Verify benchmarks annually

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Dashboard Content Should Be...

- Meaningful
- Measurable
- Comparable
- Benchmarked
- Relevant to current needs
- Understandable

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Examples of Other Dashboard Components

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Types of Dashboards

Technical,
organizational

Strategic,
organizational

Technical,
activity-specific

Strategic,
activity-specific

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Development Activities

DEVELOPMENT ACTIVITIES

Individual Giving

Category	Rec'd	Pledged	Budget	%
Annual Fund		35,000	150,000	23%
Second Year	15,000	5,000	50,000	40%
Initial Gift	8,000	16,000	40,000	60%
Total	\$ 23,000	\$ 56,000	\$ 240,000	

Donor Retention Rate

Actual YTD	65%
Goal	80%

Pending Grant Requests

	Amount	Decision
Happy Foundation	\$ 40,000	June
Giant Corporation	\$ 20,000	May
Goody Family Foundation	\$ 20,000	August

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Governance

GOVERNANCE INDICATORS

Indicator	Target	6 months ago	3 months ago	This Month
Percentage of last six meetings with quorum	100%	90%	95%	98%
Evaluation of ED Completed	By May 31	Started	Done	Done
Board donations	100%	20%	45%	80%

Source: Jeanne Bell, CompassPoint

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Policy Compliance

Policy Requirements	Complies?
Required forms and registrations filed with Secretary of State and Attorney General	Yes
Conflict of interest annual disclosure	Yes
Audit complete on-time	Yes
Reserve balance maintained	Yes

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Communications

	June 2011	March 2011	December 2010
Website views	346,347	275,783	158,446
Resource downloads	456	367	302
Names on mailing list	2,365	2,176	1,865

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Detailed Financial Information

Goals	June-06	Board goal	Temporarily Restricted Net Assets	
Self-sufficiency ratio	46.70%	50%	Beginning of year	\$45,000
Client fees+contracts/expenses			Grants received	\$15,000
			Released	(\$25,000)
			Ending balance	\$35,000
AR aging	22%	10%	Grants from new funders	
Percent AR over 90 days				
AP aging	10%	0%		
Percent AP over 90 days				
			\$25,000	\$75,000
			year to date	annual goal

Cash Position		Client stats	
Bank balances	\$27,565	Clients served year to date	845
Projected AR collection 30 days	\$50,000	New clients this year	210
Line of credit available	\$40,000	New clients this month	18
Total 30 day cash available	\$117,565	Total clients last year	1250
Monthly cash requirement	\$115,000		

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Detailed Program Information

2. Program and Impact			
	Target	6 months ago	Now
Number of first-time clients enrolled	360 this year	160	205
GED certificates obtained	90%	70%	82%
E-petition signatures	5,000	Not started yet	6,400
Paid seats per theatre performance	90% of performance space	85%	75%
Presentations to churches, companies, neighborhood groups	15 for year	7 YTD	7 YTD

Source: Jeanne Bell, CompassPoint

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