

The Executive Director's Guide to Nonprofit Board and Management Reports



Introduction.

It's common for Executive Directors to not know what to look at to make financial decisions. It's not taught widely and traditional financial reports are not designed to make data driven decisions.

Those numbers don't tell your story.
.

The QuickBooks reports in this guide are designed to help you with the big decisions that further your mission and create more outcomes.

To turn your finance department into a strength, you need timely, accurate, and actionable data.



This guides shows you the reports you need, using QuickBooks, to get meaningful numbers that tell your story.

Management reports are different from traditional financial reports because they help leaders make data-driven decisions. They provide the actionable information you need to further your mission and increase outcomes.

In the best-run nonprofits, the accounting department's job is to provide the Executive Director and development office with reports that show the revenue and cost of every program, client and service. That makes the reports actionable.

P A G E I N D E X

GrowthForce Organizational Scorecard

Where do you spend your time?

5

Budget vs. Actual

Do you need to adjust your spending plan?

6

P&L by Program/Department

Is Development generating the ROI needed to fund your programs?

7

Budget vs. Actual by Program

Do you need to cut costs, shift resources or raise additional money for any of your programs?

8

Restricted Grant Budget vs. Actual

Are you using every dollar of your restricted funds in accordance with your donors intentions?

9

Statement of Financial Position

Do you have enough cash to cover your expenses?

10

Statement of Cash Flow

Where did your cash go?

11

The Reports and Decisions.

This guide will help you understand what each KPI and report does, who should get it, and why it's important.

We'll show what reports you and your direct reports should be looking at and what should be in the board package. You will also learn the actions you can take to help improve outcomes, funding, and growth.

To help identify which reports are more relevant for either the **board**, management or **both**, find the icons below throughout the guide.





Organizational KPI Scorecard

The Coalition For the Needy
Organizational KPI Scorecard
For the twelve month period ending September 2022

This scorecard contains six charts that show the trends of the organization's most important data: Gross Revenue, Gross Profit, and EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization). It shows monthly results side-by-side with Trailing Twelve Months (TTM).

What Decisions Will I Make?

This report lets you share the macro direction of the organization. It's used to help the ED and board understand the strategic decisions regarding the health, operation, and growth of a nonprofit. It helps you figure out where to focus your time.

Why Is This Organizational KPI Scorecard Important?

This report helps you figure out, at a glance, where should you focus your time. It shows the direction (upwards or downwards) of your financial performance.

What Actions Will I Take?

First look at any downward trends to see where you have problems. Looking at the difference between budget (green dots) and actual results (black dots) shows where the numbers are off. That's where you focus your time.

If your revenue, gross profit, or EBITDA trends are decreasing, to drill into the reports on the following pages to see what's causing the decrease. Look at the trend lines that are increasing and drill down to see you've been doing right. These next reports give you data to help you study the past, to help repeat that growth in the future.

The GrowthForce KPI Organizational Scorecard provides a nonprofit's board with **an overview of organizational performance**.



Budget vs. Actual

The Budget vs. Actual report provides an overarching view of an organization's budget, comparing the results actually incurred versus your plan.

What Decisions Will I Make?

This report shows leaders where you need to adjust the revenue or spending plan. This helps the ED identify [budget issues](#) within the organization, and where to drill down, and look more closely at your operations.

Why Is This Report Important?

This report shows how well the organization is performing compared to its plan. This perspective helps prioritize where you spend the time, energy, and focus of your organization's leadership.

What Actions Will I Take?

Focus on the biggest variances by \$ and % first. If spending has exceeded the budget, you can either: 1. increase revenue, 2. reduce spending, or 3 reallocate funds from other budget areas. Drill into the detail reports on the following pages to see why you are over/under plan. If it's a big amount, you have to decide when to go back to the board for approval of a budget adjustment.

Coalition for the Needy Budget vs. Actual For the nine months ending 9/30/22

	Total			
	Actual	Budget	Over/ (Under) Budget	% of Budget
Revenue				
4000 Restricted Funds				
4025 Federal Grants	\$ 634,490	\$ 733,998	\$ (99,509)	86.4%
4050 State Grants	\$ 92,413	88,409	4,005	104.5%
4080 Foundation Grants	\$ 110,315	13,003	97,312	848.4%
Total 4000 Restricted Funds	\$ 837,218	\$ 835,410	\$ 1,808	100.2%
4100 Unrestricted Funds				
4180 Individual Donations	146,795	138,750	8,045	105.8%
4160 Local Gov Contracts	13,056	11,250	1,806	116.1%
Total 4100 Unrestricted Funds	\$ 159,852	\$ 150,000	\$ 9,852	106.6%
4300 Program (Earned) Revenue	87,174	50,000	37,174	174.3%
4500 Event Revenue	157,700	150,000	7,700	105.1%
Total Revenue	\$ 1,241,944	\$ 1,185,410	\$ 56,533	104.8%
Cost of Goods Sold				
5000 Program Payroll Costs	534,386	500,000	34,386	106.9%
5500 Program Expenses	\$ 160,400	\$ 125,000	\$ 1,844	128.3%
Total Cost of Goods Sold	\$ 694,786	\$ 625,000	\$ 1,844	111.2%
Gross Profit	\$ 547,158	\$ 560,410	\$ (13,252)	97.6%
	44%	47%		
Expenditures				
6000 Non-Program Payroll Expenses	269,579	246,798	22,782	109.2%
6100 Operating Expenses	\$ 142,841	\$ 134,985	\$ 7,856	105.8%
6400 Professional Fees & Services	72,090	65,000	(8,878)	110.9%
Total Expenditures	484,511	461,783	6,760	104.9%
Net Operating Revenue (EBITDA)	62,647	98,628	(20,012)	63.5%
Total Other Revenue (e.g. in-kind)	\$ 53,082	\$ 0	\$ 53,082	
Total Other Expenditures	89,040	75,000	14,040	118.7%
Net Other Revenue	(35,958)	(75,000)	39,042	47.9%
Net Revenue	\$ 26,689	\$ 23,628	\$ 3,061	113.0%
	2%	2%		



Profit & Loss by Program & Dept.

Statement of Financial Activity

Like a profit and loss by department in a for-profit company, Statements of Financial Activity by Program shows an organization's performance for each program along with the development and administration departments.

What Decisions Will I Make With This Report?

First make sure you are using "Classes" in QuickBooks. Then you can see which programs don't cover their costs and need more money. This tells development where and how much additional funding is needed.

Why Is This Report Important?

These reports provide a more granular view of your organization's performance to help your leadership team see the health, efficiency and success of each program and department. [You can see each program's financial results including income, operating expenses and more.](#)

What Actions Will I Take?

Your actions taken depend on the results. That might mean closer oversight in a department that is not hitting its goals. Development uses this report to build a case statement based on the programs that need the most help.

Coalition for the Needy P&L by Program For the Nine Months Ending September 2022

	Residential Services	Non- Resident Services	Community Services	Administrative	Development	TOTAL
Revenue						
4000 Restricted Funds						
4025 Federal Grants	581,026	48,966		4,497		634,490
4050 State Grants	67,102	25,209		102		92,413
4080 Foundation Grants	10,422	15,689	84,204			110,315
4000 Restricted Funds	\$ 658,551	\$ 89,864	\$ 84,204	\$ 4,599	\$ 0	\$ 837,218
4100 Unrestricted Funds	-	-	70,044	2,057	87,751	159,852
4300 Program Revenue			79,202		7,972	87,174
4500 Event Revenue					157,700	157,700
Total Revenue	\$ 658,551	\$ 50,175	\$ 233,450	\$ 6,656	\$ 253,423	\$ 1,241,944
Cost of Services						
5000 Program Payroll Costs	357,239	69,282	107,865			534,386
5500 Program Expenses	152,464	7,936	-	-	-	160,400
Total Cost of Services	\$ 509,703	\$ 77,218	\$ 107,865	\$ 0	\$ 0	\$ 694,786
Gross Margin	\$ 148,848	\$ 27,043	\$ 125,585	\$ 6,656	\$ 253,423	\$ 547,158
Gross Margin %	23%	-54%	54%	100%	100%	44%
Expenditures						
6000 Non-Program Payroll Costs	65,855	7,526	35,017	58,724	102,456	269,579
6100 Operating Expenses	48,873	17,412	47,769	8,287	20,500	142,841
6300 Professional Fees	1,517		2,500	45,368		49,385
6600 Insurance	\$ 18,745	\$ 26	\$ 231	\$ 3,701	\$ 4	\$ 22,706
Total Expenditures	134,989	24,964	85,518	116,080	122,960	484,511
Net Operating Revenue (EBITDA)	\$ 13,859	\$ (52,007)	\$ 40,067	(109,424)	\$ 130,463	\$ 62,647
Total Other Revenue (e.g. in-kind)	-	-	49,696		3,386	53,082
Total Other Expenditures	11,992	3,634	54,420	11,726	7,268	89,040
Net Other Revenue	(11,992)	(3,634)	(4,724)	(11,726)	(3,882)	(35,958)
Net Revenue	\$ 1,867	\$ (55,641)	\$ 35,343	(121,151)	\$ 126,581	\$ 26,689
Net Revenue %	0%	-111%	15%	-1820%	50%	2.1%

Budget vs. Actual for each Program

Coalition for the Needy Budget vs. Actual - Residential Shelter Program For the nine months ending September 2022

	Actual	Budget	Over/ (Under) Budget	% of Budget
Revenue				
Total 4000 Restricted Funds	\$ 658,551	\$ 655,000	\$ 3,551	101%
Total 4100 Unrestricted Funds	-	-	-	
Total Revenue	\$ 658,551	\$ 655,000	\$ 3,551	101%
Cost of Goods Sold				
5000 Program Payroll Costs	\$ 357,239	\$ 350,000	\$ 7,239	102%
5500 Program Expenses				
5510 Direct Client Assistance	59,888	65,000	(5,112)	92%
5512 Food	54,401	50,000	4,401	109%
5520 Sundries & HH supplies	2,687	2,500	187	107%
5530 Off-Site Expenses/Housing	12,593	12,500	93	101%
5540 Outreach Expenses	429	500	(71)	86%
5550 Professional Counseling services	22,466	25,000	(2,534)	90%
Total 5500 Program Expenses	\$ 152,464	\$ 155,500	\$ (3,036)	98%
Total Cost of Goods Sold	\$ 509,703	\$ 505,500	\$ 4,203	
Gross Profit	\$ 148,848	\$ 149,500	(652)	100%
Gross Profit %	23%	23%		
Expenditures				
6100 Non-Program Payroll Costs	\$ 65,855	\$ 65,000	\$ 855	101%
6200 Operating Expenses				
6205 Facility Expenses	46,353	45,000	1,353	103%
Total 6200 Operating Expenses	\$ 48,873	\$ 48,187	686	101%
Total 6400 Professional Fees & Services	1,517	3,500	(1,983)	43%
Total 6600 Insurance	18,745	20,000	(1,255)	94%
Total Expenditures	\$ 134,989	\$ 136,687	\$ (1,698)	99%
Net Operating Revenue	13,859	12,813	1,046	108%
Total Net Other Income (Depreciation)	(11,992)	(12,500)	508	96%
Net Revenue	\$ 1,867	\$ 313	\$ 1,554	
Net Revenue %	0%	0%		

This report compares the budget to the actual income and expense for each program.

What Decisions Will I Make?

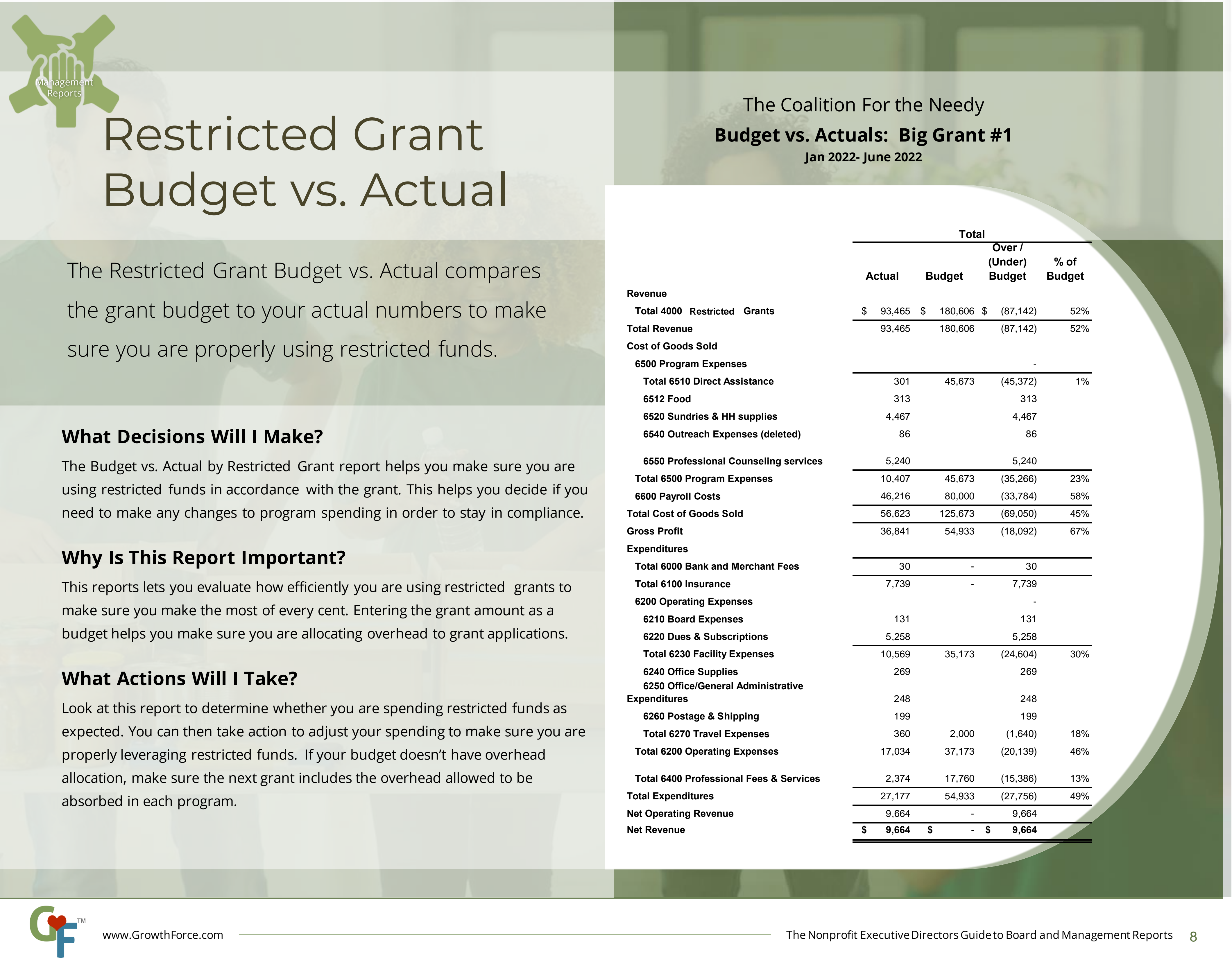
The Budget vs. Actual by Program report helps you see how each program is doing against their plan. This report will help you decide whether you need to raise additional money for any of your programs, reallocate resources from another program, or whether you can even afford this program.

Why Is This Report Important?

This report measures how well each of your [programs is performing financially](#) again what you thought would happen. If you divide the total program costs by the number of people serviced, it will help Development show donors the impact of their dollars and help you raise more money.

What Actions Will I Take?

By entering a budget in QuickBooks for each program you can see if a program is burning money. Then decide to identify new fundraising sources, increase fees, shift resources, cut costs, or discontinue the program.



Management
Reports

Restricted Grant Budget vs. Actual

The Restricted Grant Budget vs. Actual compares the grant budget to your actual numbers to make sure you are properly using restricted funds.

What Decisions Will I Make?

The Budget vs. Actual by Restricted Grant report helps you make sure you are using restricted funds in accordance with the grant. This helps you decide if you need to make any changes to program spending in order to stay in compliance.

Why Is This Report Important?

This reports lets you evaluate how efficiently you are using restricted grants to make sure you make the most of every cent. Entering the grant amount as a budget helps you make sure you are allocating overhead to grant applications.

What Actions Will I Take?

Look at this report to determine whether you are spending restricted funds as expected. You can then take action to adjust your spending to make sure you are properly leveraging restricted funds. If your budget doesn't have overhead allocation, make sure the next grant includes the overhead allowed to be absorbed in each program.

The Coalition For the Needy Budget vs. Actuals: Big Grant #1 Jan 2022- June 2022

		Total		
		Actual	Budget	Over / (Under) Budget
				% of Budget
Revenue				
Total 4000 Restricted Grants	\$	93,465	\$ 180,606	\$ (87,142) 52%
Total Revenue		93,465	180,606	(87,142) 52%
Cost of Goods Sold				
6500 Program Expenses				-
Total 6510 Direct Assistance		301	45,673	(45,372) 1%
6512 Food		313		313
6520 Sundries & HH supplies		4,467		4,467
6540 Outreach Expenses (deleted)		86		86
6550 Professional Counseling services		5,240		5,240
Total 6500 Program Expenses		10,407	45,673	(35,266) 23%
6600 Payroll Costs		46,216	80,000	(33,784) 58%
Total Cost of Goods Sold		56,623	125,673	(69,050) 45%
Gross Profit		36,841	54,933	(18,092) 67%
Expenditures				
Total 6000 Bank and Merchant Fees		30	-	30
Total 6100 Insurance		7,739	-	7,739
6200 Operating Expenses				-
6210 Board Expenses		131		131
6220 Dues & Subscriptions		5,258		5,258
Total 6230 Facility Expenses		10,569	35,173	(24,604) 30%
6240 Office Supplies		269		269
6250 Office/General Administrative				
Expenditures		248		248
6260 Postage & Shipping		199		199
Total 6270 Travel Expenses		360	2,000	(1,640) 18%
Total 6200 Operating Expenses		17,034	37,173	(20,139) 46%
Total 6400 Professional Fees & Services		2,374	17,760	(15,386) 13%
Total Expenditures		27,177	54,933	(27,756) 49%
Net Operating Revenue		9,664	-	9,664
Net Revenue	\$	9,664	\$ -	\$ 9,664

Statement of Financial Position

This report, like a Balance Sheet in business, shows the financial position of your organization at a given moment in time. It's a snapshot of your financial health

Coalition for the Needy Comparative Statement of Financial Position As of September 30, 2022

	Total		
	As of Sept. 30, 2022	As of May 30, 2022	Change
ASSETS			
Current Assets			
Total Bank Accounts	\$ 322,076	\$ 435,386	\$ (113,310)
Total Accounts Receivable	183,454	70,253	113,201
Total Other Current Assets	13,865	6,979	6,887
Total Current Assets	519,396	512,618	6,778
Fixed Assets			
1400 BLDG	818,759	818,759	-
1410 Land	41,090	41,090	-
1420 Equipment	221,347	221,347	-
1430 Accumulated Depreciation	(554,566)	(549,129)	(5,437)
Total Fixed Assets	526,630	532,067	(5,437)
Total Other Assets	214,384	219,873	(5,489)
TOTAL ASSETS	\$ 1,260,410	\$ 1,264,558	\$ (4,148)
LIABILITIES AND EQUITY			
Liabilities			
Accounts Payable	\$ 12,011	\$ 17,754	\$ (5,742)
Credit Cards	17,029	6,471	10,557
Total Other Current Liabilities	24,932	34,460	(9,528)
Total Current Liabilities	53,972	58,685	(4,713)
Mortgage Payable	359,875	362,875	(3,000)
Total Liabilities	\$ 413,847	\$ 421,560	\$ (7,713)
Equity			
3000 Unrestricted Net Assets	\$ 831,563	\$ 717,998	\$ 113,565
3200 Temporarily Restricted Net Assets	175,000	125,000	50,000
Total Net Assets	1,006,563	842,998	163,565
TOTAL LIABILITIES AND NET ASSETS	\$ 1,420,410	\$ 1,264,558	\$ 155,852

What Decisions Will I Make With This Report?

This report can help leadership see if you have the cash to pay your bill, can you afford to take on additional debt, or whether you need to save money to cover unexpected expenses, and more.

Why Is This Report Important?

This is the report your bank looks at first. It also shows where your cash went by comparing to the prior period. This report helps [calculate key ratios](#) (like Current Ratio) to help you see if you have the cash to pay bills or you need a line of credit.

What Actions Will I Take?

This report helps you understand where any excess cash went. You can see that by looking for changes in your Asset and Liability balances. Cash 'disappears' to pay down your debt or to build up assets (e.g. buildings). If you worry about paying payroll, look at your Unrestricted Net Asset balance to make sure you have a few months surplus or start planning for the inevitable rainy day.



Statement of Cash Flow

The Statement of Cash Flow shows where your excess cash went. Or why you have more cash.

What Decisions Will I Make?

You can use this report to see where your cash went. If too much cash went out (e.g. to build up assets or pay down bills) you may not be able to meet your obligations next month. Then you may need to prepare tap a line of credit, accelerate fundraising programs, delay spending, or find other ways to bring in cash.

Why Is This Report Important?

[Cash flow is life blood to every organization.](#) It helps you see whether or not your nonprofit can afford to pay its bills and when you might have extra cash on hand.

What Actions Will I Take?

When evaluating your statement of cash flow, keep a close watch on **“net cash provided by operating activities”**. That shows if your organization has generated any excess cash that month.

If you have generated excess cash - decide where you can create the most outcomes with that excess cash. If not - compare to prior months to see if this is a continuing trend that needs your attention, or a one-off issue.

Coalition for the Needy Statement of Cash Flow For the quarter ending September 30, 2022

	Jul - Sep, 2021
OPERATING ACTIVITIES	
Net Revenue	\$ 26,689
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
1110 Accounts Receivable (A/R):Grants Receivable	(136,326)
1150 Other Current Assets	(6,887)
1430 Depreciation	5,437
2000 Accounts Payable	(5,742)
2310 Payroll Liabilities:401K	1,425
2320 Payroll Liabilities:Aflac	64
2360 Payroll Liabilities:State Payroll Tax Liab	6,016
2400 Accrued Expenses	1,599
2410 Accrued Payroll	9,104
2500 Mortgage Payable	(3,000)
Total Adjustments to reconcile Net Revenue to Cash provided by operations:	(123,861)
Net cash provided by operating activities	\$ (97,171)
INVESTING ACTIVITIES	
1430 Accumulated Depreciation	5,437
Net cash provided by investing activities	5,437
Net cash increase (decrease) for period	\$ (91,734)



GrowthForce Organizational Scorecard

Your leaders need to see this summary view of the organization's financial health. It shows trends of your 3 most important financial metrics

Budget vs. Actual

This is a high-level view of your organization's actual spending vs budget. It shows you if your budget needs to change.

P&L by Program & Department

Every organization should turn "Classes" on in QuickBooks, so the ED can see a the high level financial results of every program and department in the organization

Budget vs. Actual by Program

Here's where you get an early warning of programs that are not performing as planned, and where you get the greatest ROI.

Restricted Grant Budget vs. Actual

Restricted funds really need to keep spending on track. You have to be in compliance and make the most of every last cent.

Statement of Financial Position

This is what the banks look at first. Its where you analyze the financial health of your nonprofit. It's a snapshot of the organization's financial standing.

Statement of Cash Flow

Where did the money go? The answers are in this report.



Summary.

In this guide, we covered the key reports you need to help you make data driven decisions.

As an Executive Director, it is your job to both manage the organization and answer to the board of directors. These financial reports help you do both.

To rely on your financial, board, and management reports for critical decision-making, you must first make sure your organization's financial data is timely and accurate.

Talk to a nonprofit financial management advisor to get help or learn more about these types of essential nonprofit reports.

About Us.



GrowthForce Founder & CEO Stephen King spent seven years working for Amnesty International USA, where he served both as Chief Financial Officer (Deputy Executive Director), and honed his fundraising skills as its Director of Development.

Steve has served as a CPA and outsourced accounting department to nonprofits since 1983. He has since been a dedicated board member, helping their finances and fundraising teams work together to raise more money.

We are a company with a conscious. Our passion for nonprofits are rooted in all that we do.

GrowthForce believes in building a transformational relationship. There are lots of CPAs. But not many know how to put your numbers to work. We let the numbers tell your story.

You get a platform for growth with a dedicated, expert back-office partnership you can trust. Our passionate team of accounting professionals provide outsourced bookkeeping, accounting, controller, CFO and Advisory services focused on your organization's needs.

Learn more about better accounting for nonprofits:

Visit: www.growthforce.com/nfp

Follow us on social media to stay up to date with nonprofit resources...

