

What's In Your Financial Dashboard?

By David Piscorik

We've all seen those Capital One credit card commercials asking "What's in your wallet?" as barbarians attack people using credit cards with high interest rates. The barbarians running around swinging medieval weapons are a symbolic representation of the pain credit card users feel when they have to incur high interest rates on their purchases. The same level of pain can be felt at the Association level as well if your organization is not keeping a watchful eye on its finances and their trends. Like that Capital One credit card, a financial dashboard is a tool that can help keep those financial health destructing barbarians at bay.

The purpose of a financial dashboard is to provide an at a glance view of key performance indicators relevant to your organization. Compared to lengthy profit and loss statements, balance sheet and budget reports, a dashboard is a graphical summary report. Simple, yet powerful, this report makes it easy to identify trends, spot problems, and focus on important financial issues. The term "dashboard" originates from the dashboard in your automobile, where drivers can monitor the vehicle at a glance. Dashboards do not need to provide every piece of information, but rather key trends that provide an easy, yet powerful view to assist your board of directors in monitoring and making key business decisions.

Financial presentations at board meetings should provide a quick snapshot of the current financial status and health of the organization as the board's focus should consist of financial decisions that are long-term and strategic in nature. Leave the detailed financial statements and comparisons to every budget line item for the finance committee to discuss and handle. Financial dashboards are a great tool when presenting financial information to the board of directors as communication with non-financial persons improves dramatically through the use of pictures and graphs. Everyone "gets it" immediately when shown the data in this way.

Financial dashboards can be broken down into three main areas; strategic, analytical, and operational. A Strategic dashboard provides a quick overview that decision makers need to monitor the health and opportunities of the organization. Dashboards of this type focus on high level measures of performance, and forecasts. Strategic dashboards benefit from static snapshots of data that are not constantly changing from one moment to the next. A Dashboard for analytical purposes often includes more context, compar-

isons, and historical relationships. An Analytical dashboard typically supports interactions with the data, such as drilling down into the underlying details. A Dashboard for operational purposes is often designed differently from those that support strategic decision making or data analysis and often require monitoring of activities and events that are constantly changing and might require attention and response at a moment's notice.

The first step in creating your dashboard is to identify what key performance indicators are important to your organization. The most common ones are revenues, gross margins, net income, current ratios, accounts receivable and inventory turns. These are great, but most of these financial measurements are mostly applicable to for-profit entities. Profit margins usually do not apply to non-profits as your revenue streams are much different, equity is much different and accounts receivable and inventory are not typical in a not-for-profit organization. I have provided a list of over ten financial metrics tailored specifically to non-profit organizations in a recent presentation titled "Accounting Measurements and Metrics for NPO's", which can be downloaded at: www.stancilcpa.com/presentations.html. Adding metrics to your dashboard such as; adequacy of resources, working capital, net asset ratios, income reliance ratios, fundraising efficiency ratios, savings indicators and cost per unit of service ratios to your dashboard will provide an effective view into the success and trends of your organization's finances and provide measurement opportunities in comparing your organization to other peer organizations within your particular industry.

Consider contacting your local non-profit business development center or your CPA to help create your financial dashboard. Or schedule a free consultation using my contact information below and I would be more than happy to help you answer the question, "What's in your financial dashboard?" ☞

*David Piscorik is the Director of Auditing Services at Stancil & Company, CPA's located in Raleigh, N.C. and an affiliate member of the AENC.
dpiscorik@stancilcpa.com
919-872-1260.*



network of agencies and churches, including the Red Cross, Interact, Habitat for Humanity, Community Success Initiative and others.

"A lot of people in transition are plugged into agencies providing support services in a way that helps them transform their lives," Bush said. "We have helped fire victims, people recovering from substance abuse, people who are unemployed and trying to get back on their feet, victims of domestic abuse and others."

Garcia's church, Crossroads Fellowship, which operates H.O.P.E. Ministries, referred her to Wheels4Hope.

Once a participating agency refers a customer to Wheels4Hope, the organization's wheels start turning, by first setting up an orientation session where the program is explained. Car recipients must have a driver's license, the ability to pay for auto insurance, and \$588, which pays for the auto's tags and registration, in addition to the \$500 purchase price.

The autos come with a six-month warranty.

There usually is a waiting list, but if enough cars are available, a customer can purchase a car within six weeks of being referred to the program.

"We always need more cars," Bush said.

Donated cars are tax-deductible, and Wheels4Hope will take all types of vehicles in varying states of disrepair. But not all of the cars will go to new owners through the placement program.

"We love them all," Bush said. "Any car is a good car, but the cars we place usually are 4-or-6-cylinder sedans."

Cars not suitable for the placement program are either put on the Wheels4Hope lot for sale to the general public, or recycled for parts.

So far this year, Wheels4Hope has placed 66 cars, with a goal of placing 100 by the end of the year.

Carquest, a major Wheels4Hope sponsor, donates parts.

The organization also takes cash donations from those who don't have a car or services to contribute.

Wheels4Hope, located on South Saunders Street in downtown Raleigh, resembles a tiny car dealership. Volunteer mechanics labor in its small garage, while volunteer sales managers work with customers in the organization's front office. There are five full-time employees, including two mechanics, and three administrators, including Bush, who, as executive director, admits he knows nothing about cars. His background is in faith-based nonprofit work.

For IGONC, Wheels4Hope is uplifting.

"Our organizations are successful local businesses that see a need to give back to their community," Pulverenti said.

The garage owners continue to pay their employees who work on the Wheels4Hope cars, even though

the garage doesn't issue a bill. If car owners wish to dispose of their vehicles, garage operators often direct them to the donation program.

"All of these people are working together, giving up some of their profit, and donating their time to help families," Pulverenti said.

Melissa Garcia is a believer.

Her dream car is a Dodge Challenger. She vows to buy a brand new one someday, and when she does, she will contribute to the organization that has helped her.

"When I get my Challenger, I am going to bring this Camry back to bless the next person who is struggling," she said. ☾

Teri Saylor is an experienced association executive, who currently works as an independent journalist in Raleigh. Contact her at terisaylor@hotmail.com



Wheels 4 Hope program manager Katy Nilson (right) photographs Melissa Garcia before she drives her new car off the lot. (left)



Wheels 4 Hope staff and volunteers join Melissa Garcia (center in beige sweater) in blessing her new car. Blessing the cars is an organizational ritual dating all the way back to the organization's beginnings.



Volunteer mechanics work on cars to get them ready for their new owners. (above)