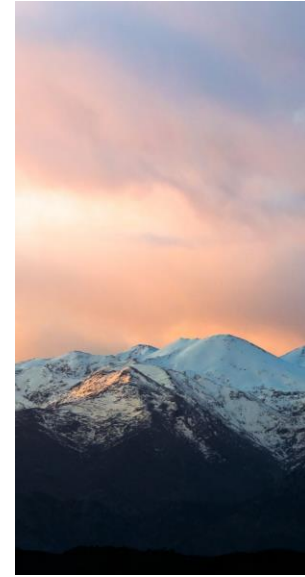


*BETTER THAN  
A  
SPREADSHEET*

BOOKKEEPING AND FINANCIAL REPORTING  
FOR SMALL NONPROFITS

~SPECIAL GUEST: ARAMIS SUNDIATA, PJP~



# *ANONYMOUS SURVEY*

01

How comfortable are you with financial reporting or bookkeeping?

02

What is something you like about managing money?

03

What is something you do not like about managing money?

For Use Later: Pull out a financial report your organization has produced.

# *WHAT IS FINANCIAL REPORTING?*



A way to show other people how money has been used in your organization.



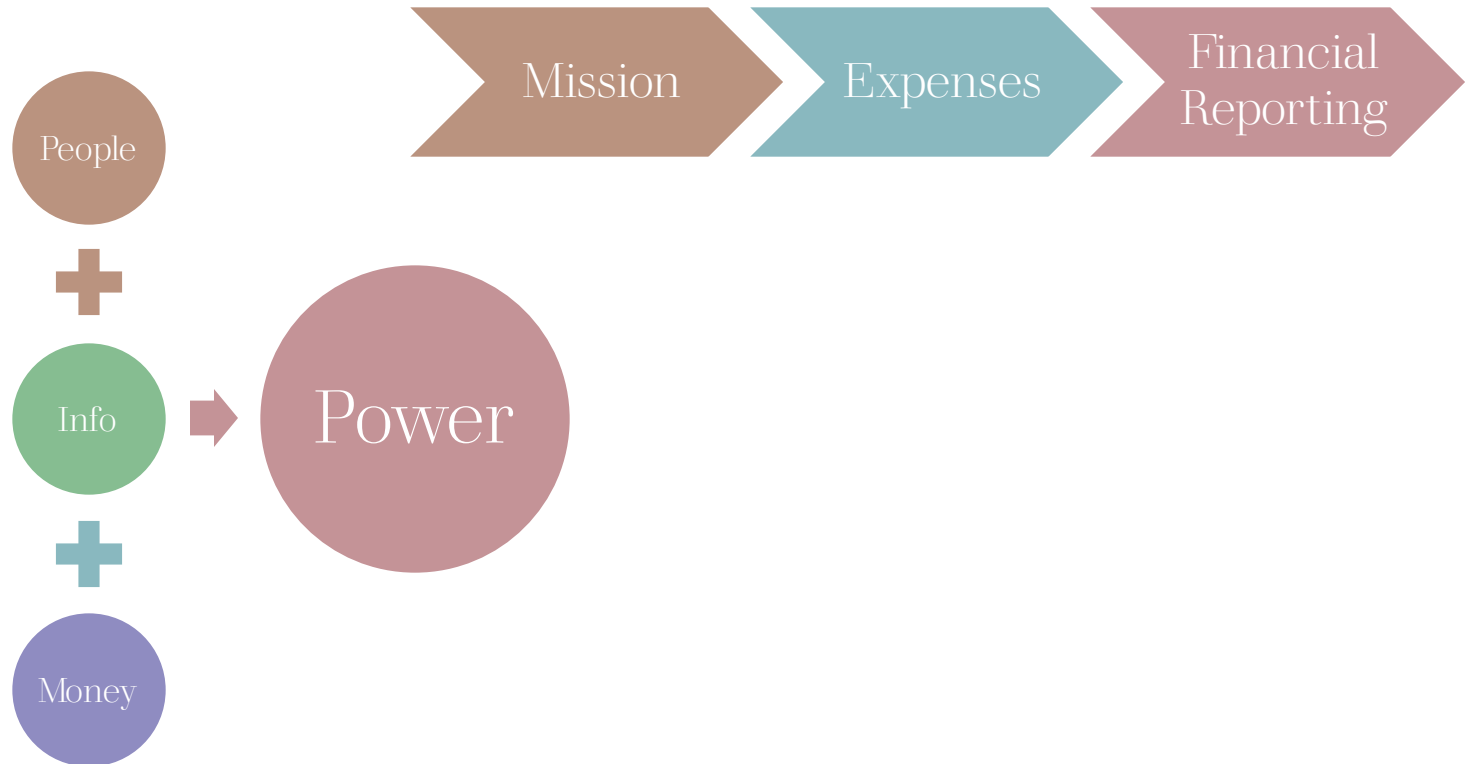
Shows information for a particular time and can help with future planning.



Think of the financial report as an expression of the mission of the nonprofit

# WHY CARE?

- Isn't this just taking me away from my mission?





# *REFLECTION*

WHAT STORY DOES YOUR FINANCIAL REPORT TELL?



A wooden desk with a calculator, glasses, and a document with charts and tables. The document features a bar chart, a table with two series, and a pie chart. The calculator is a silver and black model with a numeric keypad and function keys. The glasses are black-rimmed. The document is white with blue and green accents.

# *FINANCIAL REPORTING IN 5 STEPS*

1. Assemble a tracking team
2. Develop a tracking process
3. Create a tracking calendar
4. Stay on top of it & check it!
5. Add it all up and Communicate

# 1) ASSEMBLE A TRACKING TEAM



## Key Questions:

- Who spends the money?
- Who raises the money?
- Who has access to the bank account?
- Who has time to organize the information?

A collection of light bulbs on a dark blue background, with one bulb glowing brightly in the center. The glowing bulb is positioned slightly to the right of the center, and its light illuminates the surrounding area, creating a soft glow and highlighting the texture of the other bulbs. The background is a deep, dark blue, and the overall scene is dimly lit, emphasizing the single source of light.

*REFLECTION:*

*WHO IS ON THE TRACKING  
TEAM FOR YOUR  
ORGANIZATION?*



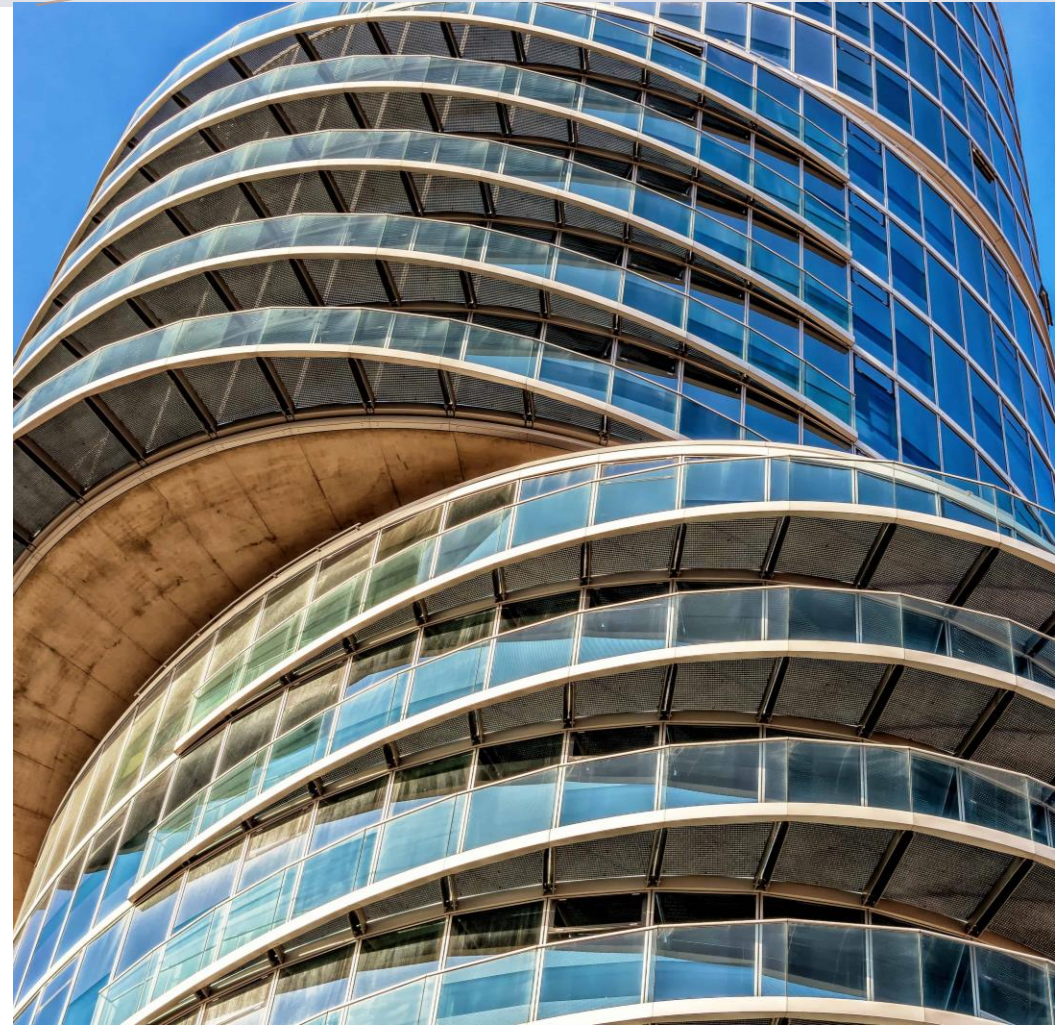
# *A SEAT AT THE TABLE*

- Assign roles and responsibilities
- Agree on authority to make decisions
- Ideally these will be in writing
  - Helps with clarity and transition/turnover



## 2) DEVELOP A TRACKING PROCESS

- How will communication happen when expenses are incurred, or revenue is received?
- What amount of detail is needed with that communication?
  - Date
  - Amount
  - Payee or Payer
  - Purpose (Class)







# TRACKING METHODS

- What are your fiscal year dates?
  - January to December
  - July to June – this is what PDF uses and how FS reporting needs to be communicated to us
- How will you track the information?
  - Spreadsheet
  - Accounting/Bookkeeping Software

# 3) CREATE A TRACKING CALENDAR

- Plan out when major expenses are likely to happen
- Quarterly check-ins on spending and revenue
- Integrate reporting deadlines into your calendar
  - PDF report will be due August 30th
  - Sample Goal: Have all income and expenses entered by July 30th





# 4) *STAY ON TOP OF IT & CHECK IT!*

- Weekly/Monthly data entry
- Monthly/Quarterly reconciliation with bank statements and donation reports



# *WHO'S ON FIRST?*



Communicate regularly to avoid duplication of effort and to share information and assumptions.



Document! Don't rely on memory. Write down assumptions and formulas. This will be very important when reporting similar information in the future.

# 5) ADD IT ALL UP AND COMMUNICATE

- One person compiles all information, reviews it for consistency and distributes to everyone involved.
  - Communicate to staff/board/funders/donors
- Include budgeted amounts and actual totals
- Forecast cash flow





HOW TO TELL YOUR STORY WITH NUMBERS

*DIGGING  
DEEPER*



# *BUDGET BASICS*



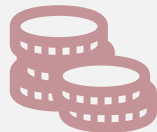
Income - Expense = Change  
in Net Assets

Over a specific period  
of time (i.e. month,  
quarter, year).



When Income – Expense >  
\$0 We have a surplus!

Building reserves



When Income – Expense <  
\$0 We have a deficit...

Drawing from reserves

# CHARTER OF ACCOUNTS

## Contributed Support:

- Income that is obtained in support of the organization's cause or mission (such as donations, bequests, or foundation grants).

## Earned Revenue:

- Income that is obtained by providing a good or service in exchange for fees (such as tuition, ticket sales, and some but not all government contracts).

---

## Personnel Expenses:

- Nonprofit budgets generally list personnel expenses first, as they are the largest expense for most organizations.

## Non-Personnel Expenses:

- Some organizations further group non-personnel expenses into other meaningful categories, which can be helpful for producing summary reports.

Accrual Basis

**Profit & Loss**  
July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Contributions	15,024
ABC Foundation Grant	1,000
<b>Total Income</b>	<b>16,024</b>
<b>Expense</b>	
Bank Service Charges	30
Conferences	325
Dues and Subscriptions	1,304
Fundraising Fees Internet	1,125
Fees & Services	561
Marketing / Promotion	9,016
Office Expenses	331
Office Supplies	28
Postage & Delivery	339
Professional Fees	
Accounting	1,170
Consultants	2,835
Legal Fees	535
Social Media	4,950
Transcription	15
<b>Total Professional Fees</b>	<b>9,505</b>
Program Expense	20,758
Software Development	2,192
Telephone	145
Trade Shows	41
Trademarks & Copyright Fees	55
Training	294
Travel & Ent	
Airfare	2,429
Automobile Expense	263
Car Rental	745
Lodging	755
Meals & Entertainment	184

# *TYPES OF FINANCIAL REPORTS*

---

Operating Financial Report - shows what the organization has earned in revenue vs. what the organization has spent in expenses from operations

---

Program Financial Report - a snapshot of information related to a specific program

---

Different information can be used for different reporting purposes

# BUDGET DASHBOARD

- **Summary:**

- Shows Q1
- Compares total FY goals with actual YTD numbers.
- Ahead of where we expected to be at this point in the fiscal year.

	Fiscal Year Target	Year to Date Target	Year to Date Actual 3.31.20	Notes
Revenue	\$250,000	\$23,000	\$45,000	New donors
Expenses	\$230,000	\$39,000	\$43,000	Increase in healthcare benefits
Projected surplus (deficit)	\$20,000	\$(16,000)	\$2,000	



# FORECAST CASH FLOW

## Prepare

Prepare a cash flow projection with your budget that includes:

- Cash, Beginning of Period
- Add: Sources of Funds
- Less: Uses of Funds
- Cash, End of Period

## Monitor and adjust

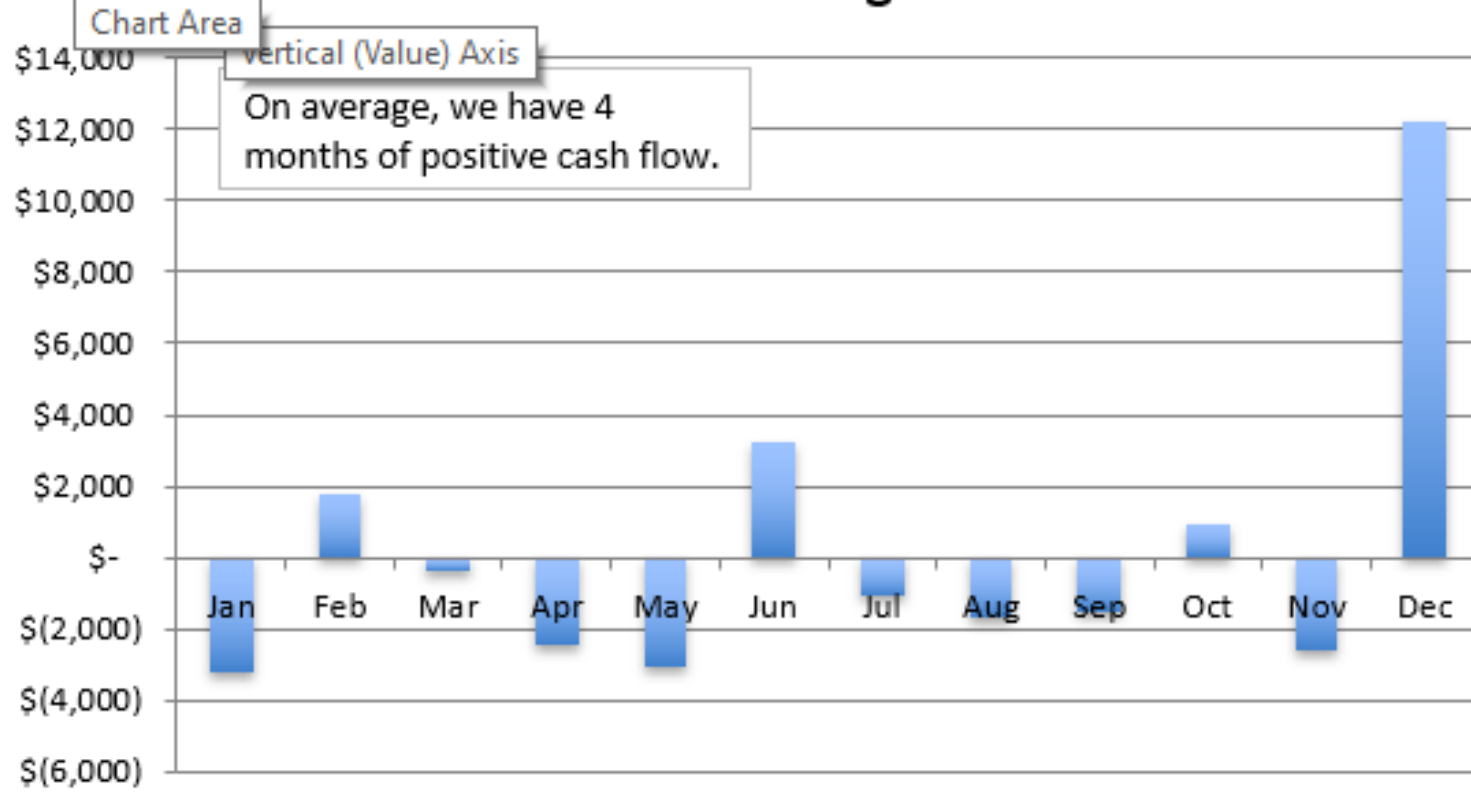
Monitor and adjust cash flow projections regularly (monthly/quarterly)

## Review

Review rolling 12-month cash flow projections with staff/board/volunteers



## GRR! 2011-2014 Average Cash Flow



*CASH  
FLOW*



# *RISK FACTORS*



Are you communicating about your finances in a confusing way?



Investigate discrepancies between budget vs. actual numbers



*THANK YOU!*