Dashboards for Nonprofits

Creating, Assessing & Fine-Tuning the Dashboards Nonprofits Rely on for Key Decision-Making and Organizational Management.

AccuFund®

INTRODUCTION

Dashboards are data visualization techniques for data driven decision processes.

The old saying, "a picture is worth a thousand words" rings true when discussing Dashboards. Dashboards can portray both complex scenarios and subtle situations with ease. The science behind what we see and how we interpret data/images continues to unfold.

What do we know? Images are powerful. Images help us learn and remember. Visual images quickly transmit information to our brain. Dashboards put it all together for us—they tell the story of your organization and enable us to see behind the numbers.

Dashboards bring attention to trends that may be subtle but potentially critical to your organization's health. Here are some popular metrics based on the various roles within an organization:

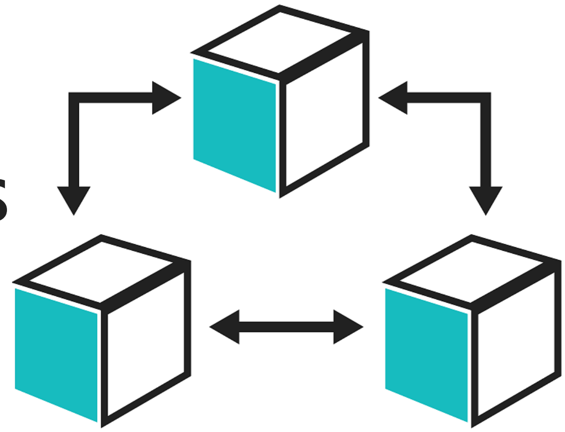
- Executive Directors and Boards—Liquidity, Budget and Performance
- Financial Team—Liquidity, HR and Performance
- Program Managers—Program Impact
- Fundraising Team—Fundraising Impact
- Information Technology—Time Per Help Case, Cost Per User
- Facilities/Property Management—Occupancy/Vacancy Percent or Months Vacant
- Public Facing Dashboards—Clients Served, Revenue Sources, Percent of Expenditures Spent on Program/Fundraising/ Admin, Volunteer & Fundraising Statistics

> **"The part of the brain that is responsible for seeing, for the apparently 'simple' act of generating the picture in our mind's eye, turns out to have the ability to do something akin to choosing, as it actively switches between different interpretations of the visual input …"**
> — Jan Brascamp, MSU assistant professor of psychology and lead investigator of the study

Are you working towards implementing dashboard metrics at your organization for the first time? Are you a skilled dashboard user looking to fine-tune or re-think your existing dashboard metrics? No matter where you are in the process, this white paper can help. We hope these pointers and reflections are useful as your organization puts together, or works to improve its dashboard usage.

All Dashboard examples highlighted in this white paper were generated directly from AccuFund's Employee Portal, an integral part of the AccuFund Accounting Suite.

Behind the Numbers



Relating to Nonprofit Financial Management, Dashboards :

- Provide quick, at-a-glance summary of your financial state of affairs.
- Offer managers, on a daily basis, metrics that are key to measuring program performance.
- Give constituent and other outside users a meaningful view of services performed and organizational effectiveness.
- Enable those not familiar with financial statements the ability to interpret financial situations and make informed decisions.
- Automatically puts key information in the hands of key decision-makers; freeing up the finance team to focus on more strategic thinking and execution.
- Highlight outliers and provide warnings of data falling outside of expected/acceptable parameters.
- Customize specific data sets for different influencers within the organization/board/etc.
- Portray information in a variety of ways reports cannot; comparing trends between dollars and units served, for example.
- Can change over time—depending on concerns and goals of the reader and the organization.

Dashboard Terminology:

Key Results Indicators (KRI) — Explains how an organization has performed in relation to specific perspective or a critical success factor.

Results Indicators — Explains what an organization has done.

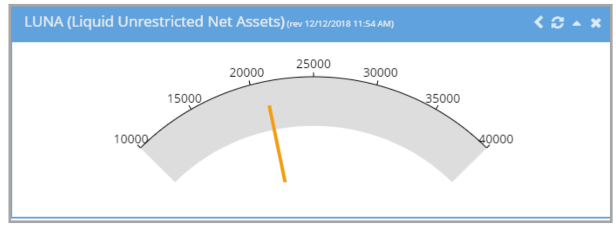
Performance Indicators —Describes what an organization does.

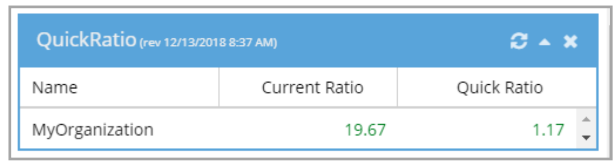
Key Performance Indicators (KPIs) — Represents measures focusing on those aspects of organizational performance that are most critical for the current and future success of the organization.

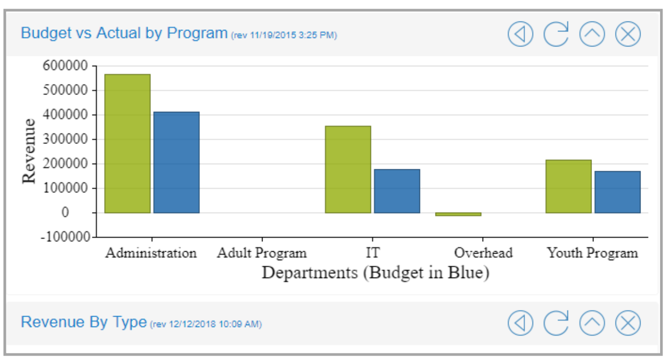
Types of Dashboards

Strategic Dashboards — Strategic Dashboards provide comparative metrics of key performance indicators. These dashboards are commonly used by high level management or the board and reflect an organization's mission and goals.

C-level executives could track such key metrics as Clients Served or Revenue Trends. Boards would likely need to see liquidity measurements, such as LUNA (Liquid Unrestricted Net Assets), and various performance comparisons.





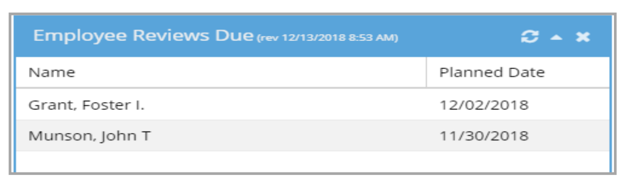


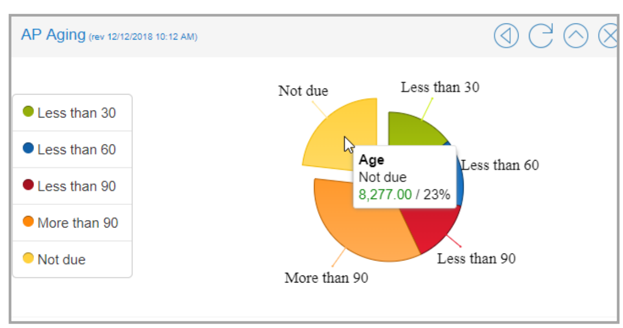
Tactical Dashboards — Tactical dashboards provide decision-making information on a nonprofit's overall performance including specific departments, programs, or grants.

Nonprofit executives use tactical dashboards to review and benchmark performance of programmatic activities and services (Budget to Actual). Departmental managers often use them for monitoring decision point KPIs (Number of clients served to target).

Operational Dashboards — Operational dashboards deal with day-to-day activities. These dashboards provide detailed pictures of daily activities, such as services, budget updates, and comparative performance metrics.

Program managers use operational dashboards to check program status and statistics (Program Enrollment). Human Resources might use operational dashboards to monitor compliance or enrollment (Employee Turnover, Training Expirations, etc.). Accounts Payable might use AP Aging or Days Payable statistics in a dashboard.





Dashboards.
The Art of Storytelling.

Dashboards tell the story about an organization. They combine various elements (financial, demographic, etc.) and display critical information in an easy-to-read format that enables timely analysis and decision-making.

Who Uses Dashboards?

There are many roles within an organization—Executive Director, Finance Director, Board Member, Program Manager, HR, —each with different data needs. As such, each dashboard needs to be:

1) Tailored to the needs of each role, and
2) Delivered to each employee easily, efficiently and securely.

Delivering Dashboards.

Often, dashboards are done in Excel. Excel is good for dashboards that provide a static view, as well as dashboards that require calculations using data from multiple systems. These static, strategic dashboards are best for public facing dashboards.

Dashboards that provide operational and tactical information are often best placed in applications that are used on a regular basis by the staff. Two traditional applications for dashboard data are ERP/accounting software and fundraising software.

Dashboards in accounting software are best for those who need and use accounting software on a daily basis. There may be limitations for non-accounting staff who don't need to be logged into the accounting software, unless the system has a cloud-based login for non-accounting staff. Similarly, fundraising/CRM software is a great place for development staff dashboards, but not really useful or central for all staff.

A good place to house employee dashboards is an employee portal linked to an ERP/ Financial Accounting system. A browser-based employee portal offers a central login that provides company news, documents, timekeeping and benefit management to employees. It's a smart place for dashboards, as it's widely available to all employees and accessed regularly.

There is a huge benefit to dashboards that are automatically generated from the tools and applications staff use frequently.

For the New Dashboard User

Where do you begin?

It's a daunting task; one where the user is often not able to answer the question "what dashboards would you like", without someone leading the discussion and guiding them down the path.

It's like the proverbial 'blank slate' or a writers 'blank page'. To begin telling your organization's story, you begin by identifying some key metrics you and your team refer to frequently.

Dashboards are an ongoing process.

- Keep in mind that you might not get the right dashboards on the first try. Often the first attempt is just a step in the right direction; it will need to be "lived with" for a while to assess what the next "phase" of the dashboard will look like.
- Change happens. Measured indicators can change importance as your organization changes over time. The dashboard setup that was useful last year may not reflect this years priorities and issues.
- Expect the unexpected. Trends and business environment changes can influence your organizations' bottom line and may require new/different metrics.
- Nothing is static. Constant evaluation is required to keep dashboards relevant and fine-tuning your dashboard is an ongoing task.

What Types of Key Data can be Found in Dashboards?

- ☐ **Financial Health**
- ☐ **Fundraising & Development Achievement**
- ☐ **Service Delivery Levels**
- ☐ **Human Capital Spending**
- ☐ **Outreach Information**
- ☐ **Facility Information**
- ☐ **Personnel Information**
- ☐ **Task Reminders**
- ☐ **Volunteer Statistics**
- ☐ **Grant Deadlines**

And the list goes on and on, depending on the organization, what it does, current goals, concerns, and environment.

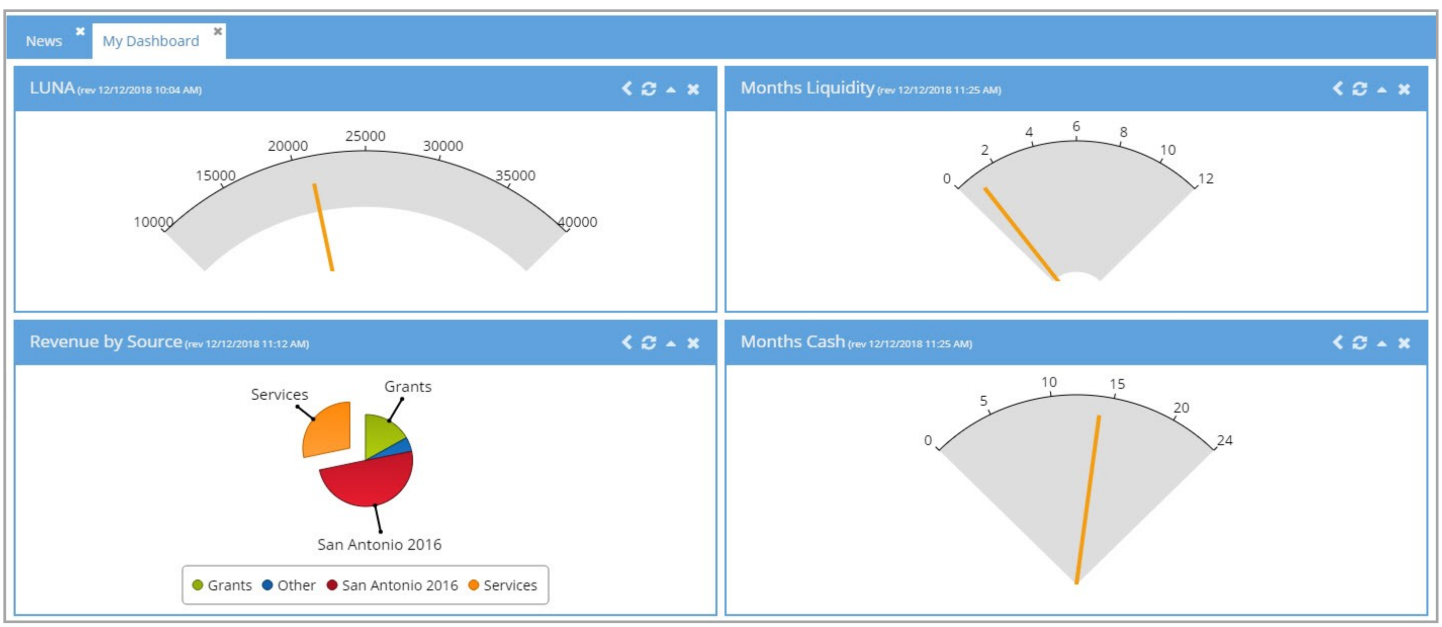
WORKSHEET FOR *EXECUTIVE DIRECTOR & BOARD*

How well is your organization performing? What data points do you rely on? Determine what data is relevant for you to see and what period you would need to see it; daily/weekly/monthly.

As a guide, review which of these areas or measures are concerns and worthy of a dashboard at your organization.

- ☐ **Liquidity**
  - ☐ **Cash Balances**
  - ☐ **Net Assets**
    - ☐ **By Restriction**
    - ☐ **Liquid Unrestricted Net Assets**
    - ☐ **Net Asset Comparison by Year**
  - ☐ **Organizational Reserves**
    - ☐ **As a Portion of Operations**
    - ☐ **Net Assets Divided by Operations**
    - ☐ **Operational Surplus Trends**

- ☐ **Overall Budget to Actuals**
- ☐ **Performance - Year to Year Comparisons**
  - ☐ **Revenue**
  - ☐ **Personnel**
  - ☐ **Receivables**
  - ☐ **Outcomes/Deliverables**
  - ☐ **Efficiency – % Supporting Expenses as a Portion of Total Expenses**
- ☐ **Outlier and Exceptional Information by Program**



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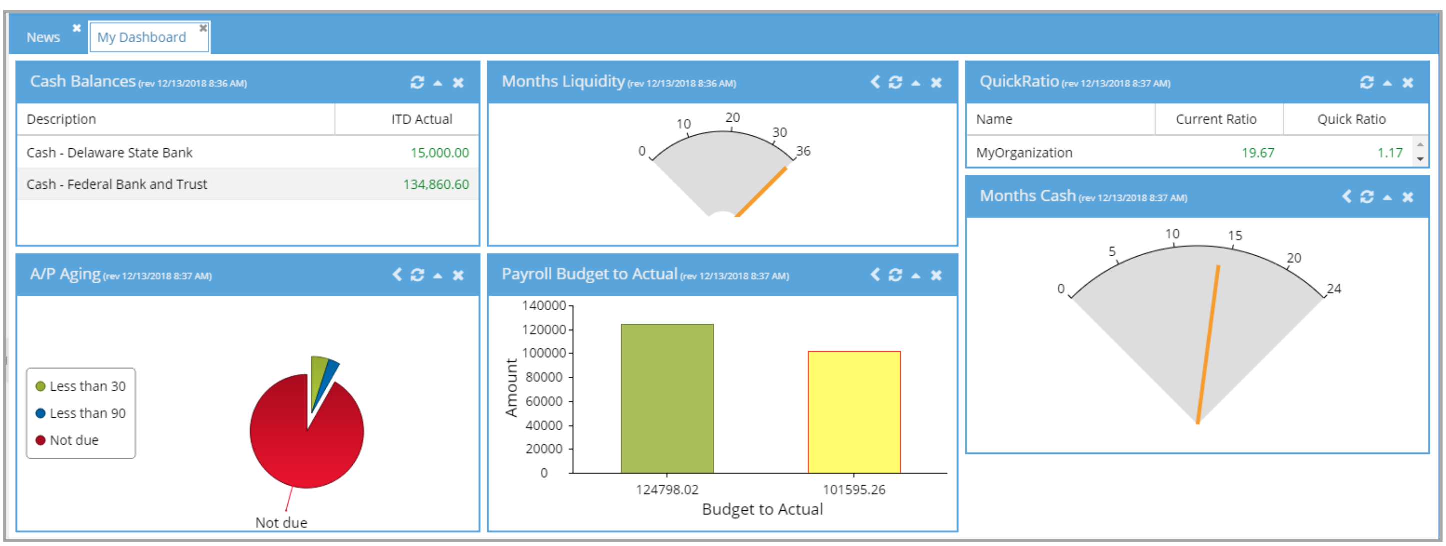
WORKSHEET FOR *FINANCE MANAGER, FINANCE TEAM & BACK OFFICE FUNCTIONS*

What information do you need to make decisions and/or answer questions? Determine what data is important to you and what period you would need to see it; daily/weekly/monthly.

As a guide, review which of these areas or measures are concerns and worthy of a dashboard at your organization.

- ☐ **Liquidity**
  - ☐ **Daily Cash Flow Report**
  - ☐ **Outstanding Balance on Line of Credit**
  - ☐ **Current Ratio**
  - ☐ **Debt Service Coverage Ratio**
  - ☐ **Accounts Receivable – Days Receivable**
  - ☐ **Accounts Payable – Invoice Cycle Time**

- ☐ **Human Resources**
  - ☐ **Employee Turnover**
  - ☐ **Payroll Costs/Budget**
  - ☐ **Payroll Costs/Previous Years**
  - ☐ **Workers Comp Claims**
- ☐ **Performance**
  - ☐ **Budget to Actual**
  - ☐ **Comparison of Revenue/Expense to Prior Years**
  - ☐ **Revenue/Expense by Program**



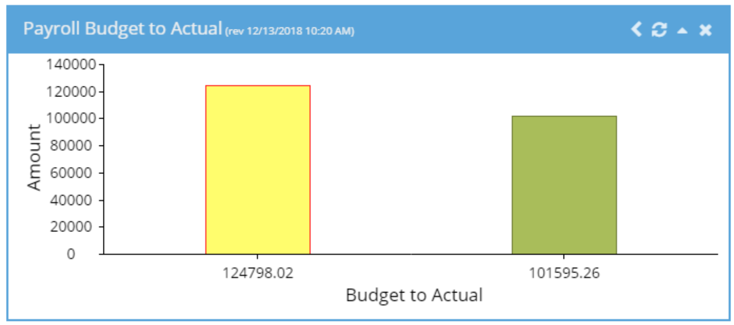
WORKSHEET FOR *PROGRAM MANAGERS*

What data do you need to monitor to determine a programs' effectiveness or impact? Determine what data is relevant for you to see and what period you would need to see it; daily/weekly/monthly.

- ☐ **Profit and Loss by Program**
- ☐ **Budget to Actual by Program**
- ☐ **Clients Served/Enrollment**
- ☐ **Cost per Client**
- ☐ **Time to Serve Client**
- ☐ **Client Demographics (Ethnicity, Gender, etc.)**
- ☐ **Staff Levels/Client**

Program Statistics (rev 12/13/2018 10:20 AM)

Name	Number Of Clients	Cost Per Client
MyOrganization	25	10,277.28

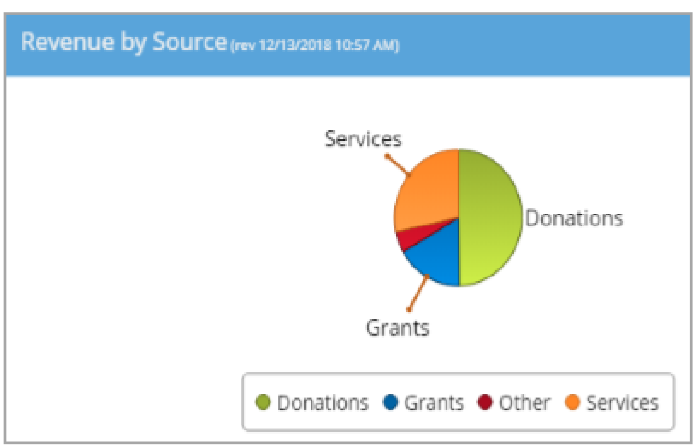


Client Enrollment (rev 12/13/2018 10:39 AM)

Name	Clients Enrolled This Month	Clients Enrolled Goal
MyOrganization	5	8

WORKSHEET FOR *FUNDRAISING TEAM*

What data do you need to monitor the effectiveness of your fundraising efforts? Determine what data is relevant for you to see and what period you would need to see it; daily/weekly/monthly.



- ☐ **Revenue by Source**
- ☐ **Progress to Fundraising Goal**
- ☐ **Individual Giving: Restricted vs. Unrestricted**
- ☐ **Board Giving**
- ☐ **Donors—Annual Comparison**
- ☐ **Fundraising Event Comparison**
- ☐ **Annual Fundraising Forecast**

Delivering Dashboard Success

Behind Every Great Dashboard is a
Powerful Financial System.

Systems Bring Your Dashboard to Life. Now that you've identified what data you want to view, what tools do you need to bring this data to the forefront and empower you and your team to make timely, informed decisions?

Key Metrics + Financial Report Writer + Data Security = Dashboard Success

Getting the data needed for your dashboards is one of the hardest parts of the equation. An organization needs to have the software tools that not only captures, but also summarizes the needed dashboard data, and presents it in the required dashboards.

Dashboards start from reports. Can you get the information you need for a dashboard out of your ERP/ Financial Management system in a report? Do you have confidence in its report writer capabilities?

What can your current ERP/financial system do for you?

- ☐ Does your ERP/financial system have all the fields / data you need?
- ☐ Does your ERP/financial system have an Employee Portal that can enable non-financial users to get access to dashboards and reports? The leading systems today can enable dashboards and reports for organization staff and board members that are outside of the finance office. *For example, AccuFund (author of this report) has two dashboard systems, one within the Employee Portal for those employees in the field, and another in the accounting application itself.*
- ☐ Does your ERP/financial system have the necessary security to limit the data appropriately for each user?
- ☐ Can your ERP/financial system provide the unrestricted net assets in a manner compatible with the new FASB ASU 2016-18?
- ☐ Can your ERP/financial system provide data by program, grant, or even by client?
- ☐ Can dashboards come directly from your ERP/financial system in graphic form?
  Why is this important?
  - Enables daily/immediate access to data
  - Minimizes error
  - Streamlines processes

Delivering Dashboard Success

Your Fundraising CRM System.

Many fundraising systems can provide dashboards, but it's the metrics behind these dashboards that will impact decision-making. The metrics must mean something. Prioritizing meaningful data allows you to construct your CRM to collect the key data to ultimately deliver successful dashboards you and your team will rely on.

Other Complementary Systems Deliver Dashboards.

There are many complementary systems that can help you create the visual dashboard of your dreams. They can range in price, from free to a subscription price based on additional features as needed. One of the most common examples is Microsoft Excel. There are two ways to accomplish Dashboard success with Excel:

- Excel Spreadsheets Attached to Graphs.

  Advantages: Easy to do, useful for disparate data collection

  Disadvantages: Static data, needs to be updated manually

- OBDC Links to Database Data (such as Client Management Software, or financials to mix and match data in graphs).

  Advantages: Great for tying together various data sources, data can be updated regularly

  Disadvantages: Technical to link data together in meaningful ways, not all software packages make OBDC connections to Excel available

Delivering Data Security

Now that you've got your dashboards, how do you ensure that:

- The right employees are getting the right data,
- Employees see just the data they need to see,
- Dashboards are constructed in a manner that keeps unlocked data from seeping out to others, such as salary data should not be available to those who should not be privy.

Your ERP/Financial System should have the built-in security to:

- ☐ Manage which employees see which dashboards.
- ☐ Fit the dashboard to the employee's role.
- ☐ Restrict dashboard data based on the rights setup for that individual.

Working with outside systems, such as Excel or other static varieties, you will need to:

- ☐ Be sure employees do not see the raw data they should not be privy to.
- ☐ Have network security that limits access to databases used to create dashboards.
- ☐ Establish internal controls that manage "who sees what".

About AccuFund

AccuFund financial management solutions are designed specifically for fund accounting and the unique reporting requirements needed by nonprofits and government entities—it's one reason nonprofits and government entities have put their trust in AccuFund since 2001.

Our complete fund accounting financial management solution – available online or onsite – consists of a strong core system and modules that allow you to expand as your needs evolve. It is known for its scalability, core function capabilities, reporting, integration and customer support. We enable organizations to streamline every aspect of their operations.

The AccuFund system will free your accounting team, department managers, and project managers from the burden of maintaining spreadsheets. In addition to hundreds of reports that can be generated and distributed directly from the system, critical information can be displayed through dashboards so that every manager has their key data metrics visible throughout the day.

Technology advances coupled with AccuFund's ongoing commitment to enhance its products has kept AccuFund at the forefront of fund accounting innovation.

The ability to adapt to changing environments has never been greater and AccuFund makes it easy.

AccuFund offers onsite or online deployment options:

- **Onsite.** The traditional method of housing your software. License a solution that is installed on a server that resides physically within your organization.
- **Online.** True browser-based solution. Subscription-based. Pay a monthly subscription fee to access the solution through a browser.

For more information please contact us at 877-872-2228 x215 or email us at sales@accufund.com. Visit our website www.accufund.com for more product information, a schedule of webinars for nonprofits, and other information on fund accounting solutions.

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