



Session Discussion & Planning Tool

Orgforward

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Measuring Leadership Success: Our Desired Outcomes

Imagine an organizations financial processes where perfect, 100% effective ...

- What would people be spending more time thinking and talking about?
- What would people be able to do more of?
- How would the work of the organization be different?

Fiduciary Responsibility

STEP 1: Identify potential “beneficiaries” of your organization - Who is it entrusted to benefit?

STEP 2: Once you have identified ALL the beneficiaries, consider what the actual benefit is that the organization is responsible for ensuring – what are the specific outcomes the organization expects for the beneficiaries identified?

Understanding “Fiduciary”

What is a fiduciary

a person (trustee) entrusted with decision making authority over property for use to benefit another (beneficiary)

1. Who are the beneficiaries and what is their best interest?
2. What are the things we have decision making authority over that require this “fiduciary attention”

Provided on behalf of  Habitat for Humanity

Beneficiary	Promised “benefit” – what outcome(s) does the organization contribute to that is in the best interest of that beneficiary

STEP 3: What are the actual things people in the organization have decision making authority over that require fiduciary attention?

ARTICULATED PURPOSE & STRATEGY

How do you describe the desired community the organization works to create? (Vision)

Example: "A place/community where ... exists"

What capacity (things, beliefs, assets...) is required within the community to achieve the above vision? (Community Capacity)

What pieces of the above community capacity does the organization contribute to through its work and what specific approach does it use to accomplish those outcomes? (Organizational Outcomes & Strategy)

Question		Steps to move you to a 5 (or make you a stronger 5)	Responsible Party	Timeline
1. What will it take for people serving the organization to clearly understand and agree on the community outcomes the organization strives to create and use that knowledge when making decisions and evaluating work				
2. What will it take for the organization to have consistent ways of vetting efforts against community outcomes and organizational strategy				
<p>Outline a Financial Profile Statement (~3 sentences)</p> <ol style="list-style-type: none"> 1. XYZ's is an organization with a revenue stream that comes from x% 2. Those resources are used to deliver x, y and z ... 3. To be effective, we must invest in the following resources/strategies..... 				

3. What will it take for Staff and Board to understand an organization's financial and business model (how assets are acquired and where they are allocated)

Budget Building

Identify the benefits of engaging each audience in the budget planning process (in what ways can it benefit them and in what ways can it benefit the organization)

Program Leader / Staff Engagement

Board Engagement

Question		Steps to move you to a 5 (or make you a stronger 5)	Responsible Party	Timeline
<p>4. What will it take to harness the strategic thinking of BOTH our program managers and the board of directors in our budgeting process</p>				
<p>5. What will it look like to extend the budget process throughout the year as a planning-monitoring-evaluation process and delivers a multi-year budget</p>				

Desired Reporting Outcomes

Audiences	Type of Conversation (What do we want them talking about and focused on?)	Type of Data/Information (detail & format)
Staff		
Program Management		
Finance Committee		
Board		
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Model Statement of Activities (aka Profit & Loss)

ORG P&L By Activity	To Date: 3/31/16	Program			Support		Annual Budget	Var Bud v Actual to-date
		Cmty Programs	Embassy	Preschool	G & A	Devel		
Revenue and Support	95,843	2,451	29,025	31,053	260	33,054	511,700	415,857
Personnel								
Salaries & Related Exp	48,634	23,542	-	12,791	12,301	-	395,000	346,366
Program Fees & Services	10,000	-	-	-	10,000	-	3,800	(6,200)
Professional & Other Fees	13,872	9,242	1,500	2,849	81	-	14,000	328
Total Personnel	72,306	32,784	1,500	15,640	22,382	-	412,800	340,494
Non-Personnel								
Business & Organizational	1,067	-	-	535	532	-	2,000	933
Equipment, Depreciation, Repairs	97	-	-	97	-	-	4,000	3,903
Occupancy	7,500	3,500	-	4,000	-	-	47,000	39,500
Office & General Expenses	1,038	279	-	-	759	-	5,500	4,462
Supplies & Materials	1,943	1,752	-	191	-	-	20,000	18,057
Travel, Parking, Accommodations	150	80	-	20	50	-	8,700	8,550
Total Non-Personnel	11,795	5,611	-	4,843	1,341	-	87,200	75,406
TOTAL EXPENSES	84,100	38,395	1,500	20,483	23,723	-	500,000	415,900
Net Income / per Activity	11,742	(35,944)	27,525	10,570	(23,463)	33,054	11,700	(42)
% Total Expenses	100%	46%	2%	24%	28%	0%		
Total Budgeted Income per class	125,000	25,000	100,000	350	261,350		511,700	
Total Budgeted Expense per class	240,000	21,000	154,000	81,000	4,000		500,000	
Budgeted Net Income per class	(115,000)	4,000	(54,000)	(80,650)	257,350		11,700	

% Expenses per Activity to Date

% Revenue by Source to Date

Sense Making?

Business Model?

Decision Making?

Key Follow-up Questions

	Current Year						Key to Notes	1/1/15 - 12/31/15
	To Date 3/31/16	Annual Budget	% of budget to date	Year End Projection	Variance Bud to YE +/- = good	Var % +/- = good		
UNRESTRICTED								
Contributed Revenue								
Government Grants	16,421	40,000	41%	37,500	(2,500)	-0%	16,421	
Foundations	500	150,000	0%	153,000	3,000	2%	500	
Corporations	12,000	45,000	27%	45,000	-	0%	A 12,000	
Churches & Organizations	3,128	70,000	4%	70,000	-	0%	3,128	
Individuals	1,005	20,000	5%	20,000	-	0%	1,005	
In-Kind Contrib	-	-	N/A	-	-	N/A	-	
Special Event	-	-	N/A	6,000	6,000	N/A	B -	
Total Contributed Revenue	33,054	325,000	10%	331,500	6,500	2%	33,054	
Earned Revenue								
Program Revenue								
Community Programs	2,451	16,000	15%	16,500	500	3%	C 2,451	
Embassy	29,025	30,000	97%	30,000	-	0%	29,025	
Preschool	31,053	120,000	26%	120,000	-	0%	31,053	
Contracted Services	-	18,500	0%	18,500	-	0%	-	
Interest / Misc / Other Earned	260	2,200	12%	2,200	-	0%	260	
Total Earned Revenue	62,789	186,700	34%	187,200	500	0%	62,789	
TOTAL Unrestricted Revenue	95,843	511,700	19%	518,700	7,000	1%	95,843	
Program Expenses								
Community Programs	38,395	240,000	16%	243,500	(3,500)	-1%	D 38,395	
Embassy	1,500	21,000	7%	21,000	-	0%	1,500	
Immersion	20,483	154,000	13%	150,000	4,000	3%	20,483	
Total Program Direct Expenses	60,378	415,000	15%	414,500	500	0%	60,378	
Management & Support								
Governance & Administration	23,723	81,000	29%	81,000	-	0%	D 23,723	
Development	-	4,000	0%	4,000	-	0%	-	
Special Fundraising Events	-	-	N/A	2,200	(2,200)	N/A	-	
Total Management & Support	23,723	85,000	28%	87,200	(2,200)	-3%	23,723	
Total Expenses	84,100	500,000	17%	501,700	(1,700)	0%	84,100	
Unrestricted Net Income	11,742	11,700	100%	17,000	5,300	45%	E 11,742	
RESTRICTED								
Restricted Activity								
Temporarily Restricted Contributions	10,000	30,000	33%	30,000	-	0%	10,000	
Released to Unrestricted	(7,500)	(17,500)	43%	(17,500)	-	0%	F (7,500)	
Net Restricted Income	2,500	12,500	20%	12,500	-	0%	2,500	
Net Income All Activity	14,242	24,200	59%	29,500	5,300	22%	14,242	

Model Statement of Position (aka Balance Sheet)

	Current Year				Key to Notes	Prior Year 12/31/15
	TOTAL to 3/31/16	Unrestricted		Temp Restricted		
		Operations	Board Designated			
ASSETS						
Current Assets						
Checking/Savings	60,516	25,516	25,000	10,000		50,516
Accounts Receivable	192,834	192,834			A	192,834
Other Current Assets	2,010	2,010			B	2,010
Total Current Assets	255,360	220,360	25,000	10,000		245,360
Fixed Assets						
Building & Improvements			-			
Furniture & Equipment	3,500		3,500			3,500
Accum. Depreciation & Amort.	-		-			-
Total Fixed Assets	3,500	-	3,500	-		3,500
Other Assets	-	-				-
TOTAL ASSETS	258,860	220,360	28,500	10,000		248,860
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable	2,440	2,440				2,440
Payroll Liabilities / Accrued Wages	10,233	10,233				10,233
Due to / Due from Operating Reserve	-					-
Other Current Liabilities	15,189	15,189			C	15,189
Total Current Liabilities	27,862	27,862	-	-		27,862
Long Term Liabilities/Mortgage						
Total Liabilities	27,862	27,862	-	-		27,862
Net Assets						
Unrestricted						
UR-Undesignated	192,498	192,498				194,998
UR-Board Designated Reserve	25,000		25,000			15,000
UR-Property, Plant & Equipment	3,500		3,500		D	3,500
Total Unrestricted	220,998	192,498	28,500	-		213,498
Temporarily Restricted	10,000			10,000	E	7,500
Total Net Assets	230,998	192,498	28,500	10,000		220,998
TOTAL LIABILITIES & NET ASSETS	258,860	220,360	28,500	10,000		248,860

Notes

A	Two gov't grants; payments expected within next 3 months.
B	Deposits for rent and utilities
C	Deferred Revenue; Pass through (funds temporarily held for others)
D	Non-liquid fixed assets net of any related debt; purchase authorized by board
E	Grant for next fiscal year

Sense Making?

Business Model?

Decision Making?

Key Follow-up Questions

Question		Steps to move you to a 5 (or make you a stronger 5)	Responsible Party	Timeline
<p>6. What will it take for staff and board to clearly understand the organization's overall financial performance by reading its financial statements and use that information to evaluate and improve programs, operations, and sustainability</p>				
<p>7. What would it take for leadership to have a strong understanding of potential risks to advancing and sustaining financial and mission goals</p>				
<p>8. What will it take for people in the organization to effectively budget for capital and operating reserves and have strategies to fund those reserves</p>				

Fiduciary Capacity

Where is fiduciary competency within the organization?

Role / Committee	In what ways do they contribute to fiduciary capacity? (What competencies do they contribute, or could they contribute)

9. What will it take for leadership (board and staff) to clearly understand their fiduciary responsibilities to the organization and ensure a high level of fiduciary leadership throughout the organization (i.e. fiduciary leadership is shared across multiple staff and board members)				
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