

Organizations often throw a great deal of numbers around, especially during finance presentations. I encourage my clients to think about *the single most important pieces of financial information* that help boards understand the basic fiscal health of the organization. I also have come to understand that board members are not always educated about what a healthy nonprofit looks like against those 6 - 7 key metrics.

In working with a client, we developed the dashboard below. It was used to provide real transparency to staff

and board, to provide them with a very basic education of nonprofit finance metrics, and a very simple way to measure the fiscal health of their organization as well as to evaluate progress over time.

There may be other metrics you want to add that are specific to your organization but I urge caution in making the list too long!

CORE FINANCIAL NONPROFIT METRICS	A VERY HEALTHY NONPROFIT LOOKS LIKE THIS	AS OF XX/YY/ZZ, ABC.ORG ACTUALS
Cash Flow	Steady, positive In = Out	
Cash on Hand	Minimum 1 month operating expenses	
Line of Credit	Zero balance (or, less than 50% utilized)	
Accounts Receivable	Nothing past 30 days	
Accounts Payable	Nothing past 30 days	
Unrestricted Cash Balances	3 - 6 months of operating expenses	
Endowment (if applicable)	3x the operating budget (minimum)	