

Navigating the New FASB Standards: Using Financials to Tell Your Story



RC & D Councils
2018 Nonprofit Fundraising Conference

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Goals for Today's Workshop



-
- 1) Know enough about FASB standards to comply while not being complicit in perpetuating outdated ideas.
 - 2) Learn how your audit is your story to tell.
Own your numbers and own your narrative.
 - 3) Learn how to talk to others about these standards

FASB?

FASB (pronounced “fazz bee”)

Financial Accounting Standards Board

- Issued in a New Accounting Standards Update
ASU 2016-14

New standards for how nonprofits
present their financial statements

- Effective for audits for fiscal years beginning
after December 15, 2017 (that’s now)

Why We're Here – It's FASB's Fault

We'll Talk about Three New Standards –
Three Opportunities to Tell Your Nonprofit's Story

1. Net Asset Classification – Terminology
The Basics
2. Liquidity and Availability
How Flexible Are We?
3. True Program Costs vs. Functional Expense
Do You Have Any Idea How Much This Costs?

New Standard: Net Asset Classification

What's In A Name?

Changing How We Talk About Restrictions

Old Terms	New Terms
<ul style="list-style-type: none">• Unrestricted• Temporarily Restricted• Permanently Restricted	<ul style="list-style-type: none">• Without Donor Restrictions• With Donor Restrictions

Used to describe contributed support and net assets

Contribution Categories

Life's Complicated!

Not all contributed income is the same.
Contributions may have restrictions based on
donor intent and direction.

Without Donor Restrictions	With Donor Restrictions
<ul style="list-style-type: none">Funds available for general useThis is where we find general operating support* <p>* Note: Please help us find more general operating support!</p>	<ul style="list-style-type: none">Funds in which restrictions expire over a defined period or time, or by performing defined activities – often program grantsFunds in which the principal remains intact (in perpetuity), but investment income can be used – often endowment or scholarship funds

Managing Funds with Donor Restrictions

All funds *With Donor Restrictions* are recorded as income when promised or committed –
No matter how much you are going to use this year.

	Without Donor Restrictions	With Donor Restrictions	Total
INCOME			
Support			
Individual Contributions	\$35,230		\$35,230
Corporate/Foundation Grants	25,000	140,000	165,000
Government Grants	16,900		16,900
Total Support	\$77,130	\$140,000	\$217,130
Revenue			
Client Fees	7,850		7,850
Contract Income	5,500		5,500
Investment Return (net)	20,000	7,500	27,500
Miscellaneous Income	100		100
Total Revenue	\$33,450	\$7,500	\$40,950
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	10,000	(10,000)	-
Expiration of Time Restrictions	5,000	(5,000)	-
Appropriation from donor-restricted endowment	3,750	(3,750)	-
Total Net Assets Released from Restrictions	\$18,750	(\$18,750)	\$0
Total Support & Revenue	\$129,330	\$128,750	\$258,080

INCOME	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Individual Contributions	\$35,230		\$35,230
Corporate/Foundation Grants	25,000	140,000	165,000
Government Grants	16,900		16,900
Total Support	\$77,130	\$140,000	\$217,130

Contributions - The Old Way (Detail Provided Upfront)

INCOME	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support				
Individual Contributions	\$35,230			\$35,230
Corporate/Foundation Grants	25,000	40,000	100,000	165,000
Government Grants	16,900			16,900
Total Support	\$77,130	\$40,000	\$100,000	\$217,130

Contributions - The New Way (Detail Provided Later)

INCOME	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Individual Contributions	\$35,230		\$35,230
Corporate/Foundation Grants	25,000	140,000	165,000
Government Grants	16,900		16,900
Total Support	\$77,130	\$140,000	\$217,130

Managing Funds with Donor Restrictions

When restrictions are met, funds from the category *With Donor Restrictions* are transferred into the category *Without Donor Restrictions*, using the account “Net Assets Released from Restrictions.”

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	10,000	(10,000)	-
Expiration of Time Restrictions	5,000	(5,000)	-
<u>Appropriation from donor-restricted endowment</u>	<u>3,750</u>	<u>(3,750)</u>	<u>-</u>
Total Net Assets Released from Restrictions	\$18,750	(\$18,750)	\$0

Change in Net Assets - The Old Way (What We Gave Up)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets Released from Restrictions	\$18,750	(\$18,750)	\$0	\$0
Total Support & Revenue	\$129,330	\$28,750	\$100,000	\$258,080

Change in Net Assets - The New Way (What We Gained)

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	10,000	(10,000)	-
Expiration of Time Restrictions	5,000	(5,000)	-
Appropriation from donor-restricted endowment	3,750	(3,750)	-
Total Net Assets Released from Restrictions	\$18,750	(\$18,750)	\$0
Total Support & Revenue	\$129,330	\$128,750	\$258,080

Managing Funds with Donor Restrictions

Understanding donor restrictions helps you understand your financial result for the period

	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets	25,057	128,750	153,807
Net Assets Beginning	218,943	500,000	718,943
Net Assets Ending	\$244,000	\$628,750	\$872,750

We'll talk more about this later when we talk about Liquidity

Statement of Activities (Income Statement)			
For the Twelve Months Ending December 31, 20YY			
	Without Donor Restrictions	With Donor Restrictions	Total
INCOME			
Support			
Individual Contributions	\$35,230		\$35,230
Corporate/Foundation Grants	25,000	140,000	165,000
Government Grants	16,900		16,900
Total Support	\$77,130	\$140,000	\$217,130
Revenue			
Client Fees	7,850		7,850
Contract Income	5,500		5,500
Investment Return (net)	20,000	7,500	27,500
Miscellaneous Income	100		100
Total Revenue	\$33,450	\$7,500	\$40,950
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	10,000	(10,000)	-
Expiration of Time Restrictions	5,000	(5,000)	-
Appropriation from donor-restricted endowment	3,750	(3,750)	-
Total Net Assets Released from Restrictions	\$18,750	(\$18,750)	\$0
Total Support & Revenue	\$129,330	\$128,750	\$258,080
EXPENSE			
Personnel	\$73,300		\$73,300
Contracted Services	7,900		\$7,900
Occupancy	6,350		\$6,350
Furniture & Equipment	1,795		\$1,795
Travel	1,175		\$1,175
Meeting Expenses	1,093		\$1,093
Marketing Expenses	650		\$650
Operating Expenses	12,010		\$12,010
Total Expenses	\$104,273	\$0	\$104,273
Change in Net Assets	25,057	128,750	153,807
Net Assets Beginning	218,943	500,000	718,943
Net Assets Ending	\$244,000	\$628,750	\$872,750

Statement of Financial Position / Balance Sheet Classifications

Statement of Financial Position as of Dec 31, 200Y

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash	105,000	73,750	178,750
Receivables	50,000	125,000	175,000
Short-term investments	25,000	80,000	105,000
Total Current Assets	180,000	278,750	458,750
Long-Term Assets			
Long-term investments	-	350,000	350,000
Fixed Assets (net of depreciation)	245,000	-	245,000
Total Long-Term Assets	245,000	350,000	595,000
Total Assets	425,000	628,750	1,053,750
Liabilities			
Current Liabilities			
Accounts Payables	30,000	-	30,000
Notes Payable (Current portion)	6,000	-	6,000
Total Current Liabilities	36,000	-	36,000
Notes Payable (Long-Term)	145,000	-	145,000
Total Liabilities	181,000	-	181,000
Net Assets			
Without Donor Restrictions			
Board-Designated Endowment	152,000	-	152,000
Undesignated	92,000	-	92,000
Total Without Donor Restrictions	244,000	-	244,000
With Donor Restrictions			
Perpetual in nature	-	450,000	450,000
Purpose restricted	-	53,750	53,750
Time-restricted Only	-	125,000	125,000
Total With Donor Restrictions	-	628,750	628,750
Total Net Assets	244,000	628,750	872,750
Total Liabilities and Net Assets	425,000	628,750	1,053,750

Knowing which Assets and Net Assets are which, matters:

- Without Donor Restrictions
- With Donor Restrictions

Knowing how much cash is Without Donor Restrictions is a key to understanding Liquidity.

Assets - The Old Way (Detail Provided Upfront)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Assets				
Cash	105,000	68,750	5,000	178,750
Receivables	50,000	75,000	50,000	175,000
Short-term investments	25,000	35,000	45,000	105,000
Long-term investments	-	-	350,000	350,000
Fixed Assets (net of depreciation)	245,000	-	-	245,000
Total Assets	425,000	178,750	450,000	1,053,750

Assets - The New Way (Detail Provided Later)

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	105,000	73,750	178,750
Receivables	50,000	125,000	175,000
Short-term investments	25,000	80,000	105,000
Long-term investments	-	350,000	350,000
Fixed Assets (net of depreciation)	245,000	-	245,000
Total Assets	425,000	628,750	1,053,750

Net Assets = Two, Two, Two Columns in One

This line used to have its own column

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets			
Without Donor Restrictions			
Board-Designated Endowment	102,000		102,000
Undesignated	142,000		142,000
Total Without Donor Restrictions	244,000	-	244,000
With Donor Restrictions			
Perpetual in nature	-	450,000	450,000
Purpose restricted	-	53,750	53,750
Time-restricted Only	-	125,000	125,000
Total With Donor Restrictions	-	628,750	628,750
Total Net Assets	244,000	628,750	872,750
Total Liabilities and Net Assets	244,000	628,750	872,750

Net Assets - The Old Way (What We Gave Up)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets				
Unrestricted				
Board-Designated Endowment	102,000			102,000
Undesignated	142,000			142,000
Total Unrestricted	244,000	-		244,000
Temporarily Restricted		178,750		178,750
Permanently Restricted	-	-	450,000	450,000
Total Net Assets	244,000	178,750	450,000	872,750

Net Assets - The New Way (What We Gained)

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets			
Without Donor Restrictions			
Board-Designated Endowment	102,000		102,000
Undesignated	142,000		142,000
Total Without Donor Restrictions	244,000	-	244,000
With Donor Restrictions			
Perpetual in nature	-	450,000	450,000
Purpose restricted	-	53,750	53,750
Time-restricted Only	-	125,000	125,000
Total With Donor Restrictions	-	628,750	628,750
Total Net Assets	244,000	628,750	872,750

About That Missing Column

Even though we go from three categories to two categories when reporting, we still have to track three categories and provide details about all three.

The Details Come in Our Note Disclosures

- Donor-imposed restrictions
- Donor-Restricted Endowment Fund
- Board-Designated Endowment Fund
(sometimes called Quasi-Endowment Funds)

Note Disclosures – The Detail We Promised

This disclosure describes donor restrictions of all types: use, time, and in perpetuity

Net Assets With Donor Restrictions	
Subject to expenditure for specified purpose:	
Program A activities	10,000
Program B	
Conference	17,000
Educational resources	11,000
Buildings and equipment	12,000
	50,000
Subject to the passage of time:	
For periods after December 31, 20YY	125,000
Subject to spending policy and appropriation:	
Investment in perpetuity (including investment earnings above original gift of \$3,750), expendable to support:	
Program A activities	201,750
Program B activities	252,000
	453,750
Total Net Assets With Donor Restrictions	628,750

Disclosing How We Make Decisions

Policies on Expending Endowment Funds

FASB standards require a nonprofit to disclose its endowment spending policies, including policies regarding appropriations from underwater endowment funds.

Endowment Fund Disclosure

Changes in Endowment Net Asset for the Fiscal Year ended Dec 31, 200Y

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds, beginning	100,000		100,000
Accumulated investment gains, net (without donor restrictions)	7,500		7,500
Donor-restricted endowment funds:			
Original donor-restricted gift maintained in perpetuity, beginning		350,000	350,000
Contributions		100,000	100,000
Accumulated investment gains, net (without donor restrictions)	12,500		12,500
Accumulated investment gains, net (with donor restrictions)		7,500	7,500
Appropriation of endowment assets for expenditure	(18,000)	(3,750)	(21,750)
Endowment net assets, end of year	102,000	453,750	555,750

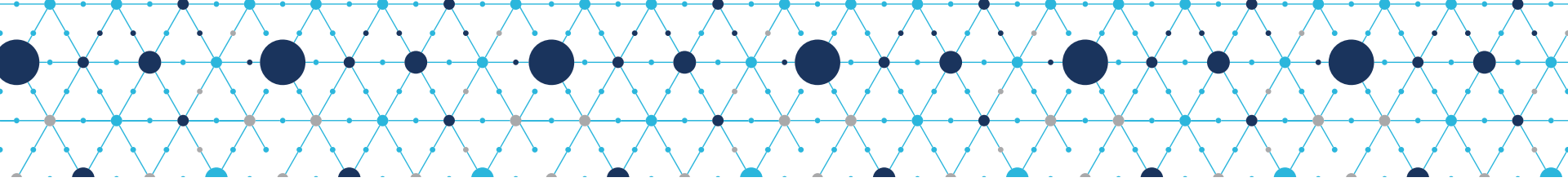
This Schedule Assumes This Expenditure Policy:
90% of earnings from Board-Designated Endowment are expended
50% of earnings from Donor-Restricted Endowment are expended

New Standard: Liquidity

Why Liquidity?

FASB concluded that information about the availability of an NFP's financial assets and management of its liquid resources is useful to creditors, donors, grantors, and others that are interested in assessing an NFP's liquidity and financial flexibility.





Liquidity – Financial assets that are available to meet cash needs for general expenditures within one year of the balance sheet date.

Financial Flexibility –
The ability of an entity to take effective actions to alter amounts and timing of cash flows so it can respond to unexpected needs and opportunities.



Liquidity - Reporting How We Do What We Do

The Note Disclosures in your audited financials are yours to write, not your auditors.



What story are you going to tell?

Discussion

- 1) Describe how your organization manages the liquidity and availability of its assets.
 - What is not obvious from just looking at Current Assets like cash, CDs, accounts receivable?
- 2) What is your organization's receivables cycle?
 - Do you have revenue that comes in on a set schedule – 30 days, 90 days, Six Months?
- 3) What practices or policies does your organization use to maintain financial flexibility?
 - Do you maintain a line of credit or have a fully funded reserve?

Liquidity: A Classified Balance Sheet With a Note Disclosure

Statement of Financial Position as of Dec 31, 20YY

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash	105,000	73,750	178,750
Receivables	50,000	125,000	175,000
Short-term investments	25,000	80,000	105,000
Total Current Assets	180,000	278,750	458,750
Long-Term Assets			
Long-term investments	-	350,000	350,000
Fixed Assets (net of depreciation)	245,000	-	245,000
Total Long-Term Assets	245,000	350,000	595,000
Total Assets	425,000	628,750	1,053,750

Quantitative and Qualitative

FASB's new standards require both the numbers and the narrative. This gives nonprofits a great venue for sharing your story and showcasing your sophistication.

Numbers AND Narrative



Sample Note Disclosure: Liquidity and Availability

NFP's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$	105,000
Receivables		50,000
Short-term investments		25,000
		<hr/>
	\$	180,000

How FASB Thinks



Along with the Current Assets Without Donor Restrictions listed above, our organization also considers Current Assets With Donor Restrictions that are intended to cover the day to day expenses related to programs A and B to be available for use in the current period. Of the total amount of Current Assets With Donor Restrictions on the Statement of Financial Position, \$50,000 would fit this definition. While technically Donor-Restricted, these Current Assets are included in our regular cashflow planning and in practical terms behave as liquid assets. The donor-imposed restrictions for these program-related assets are satisfied as a matter of course in our daily program operations. Accordingly, these funds are routinely reclassified to Without Donor Restriction and this activity is recorded monthly as Net Assets Released from Restriction.

** continued on next page **

Sample Note Disclosure: Liquidity and Availability

** continued from previous page **

When considering which assets are available to meet current cash needs, the liquidity of our assets and the financial flexibility of our organization would be underestimated without including these Assets With Donor Restrictions in the total available in the current period.

Other NFP's financial assets available and estimated to be released for use for program activities within one year of the balance sheet date are as follows:

Net Assets subject to expenditure for specified purpose:

Program A activities	\$	10,000
Program B		
Conference		17,000
Educational resources		11,000
Buildings and equipment		12,000
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	\$	50,000
Line of Credit (undrawn portion)	\$	100,000
Total Additional Resources Available for Cash Flow Needs	\$	<hr/> <hr/>

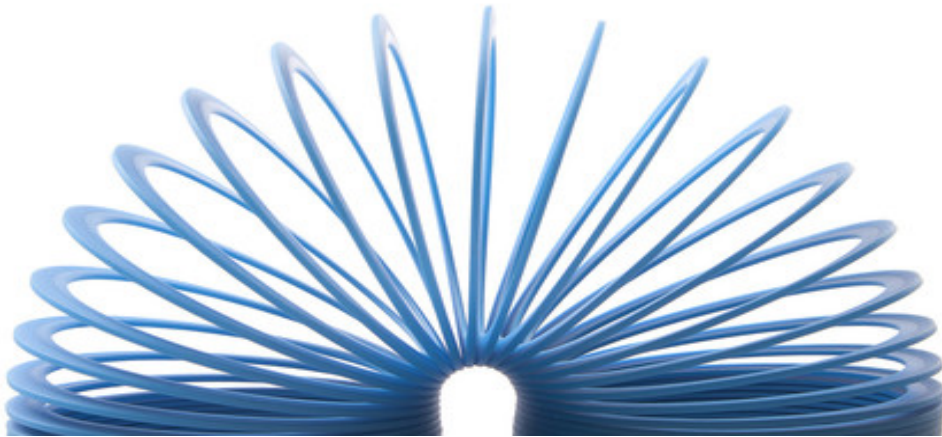
How
Nonprofits
Really
Work



This Is Where It Gets Fun: Note Disclosures

Go Beyond What FASB Requires

- Include another note using a period other than a year to describe your organization's liquidity management
- Include additional tables showing how much of certain noncurrent or donor-restricted assets will become available through regular program activity



Always Remember: Your Audit is Your Story to Tell

Real Life Examples – Propel Nonprofits' Audit Note Disclosure (narrative excerpt)

Per its financial policies, Propel Nonprofits maintains an operating reserve with a value of no less than one-fourth of budgeted operating expenses, calculated less non-cash items such as loan loss reserves and depreciation, and less grants to other entities that have a specific, corresponding revenue source. The reserve itself shall consist of highly liquid instruments, such as cash, cash equivalents, CDs, assets with donor restrictions that will likely be released within 90 days, and other operating receivables likely to mature within 90 days.

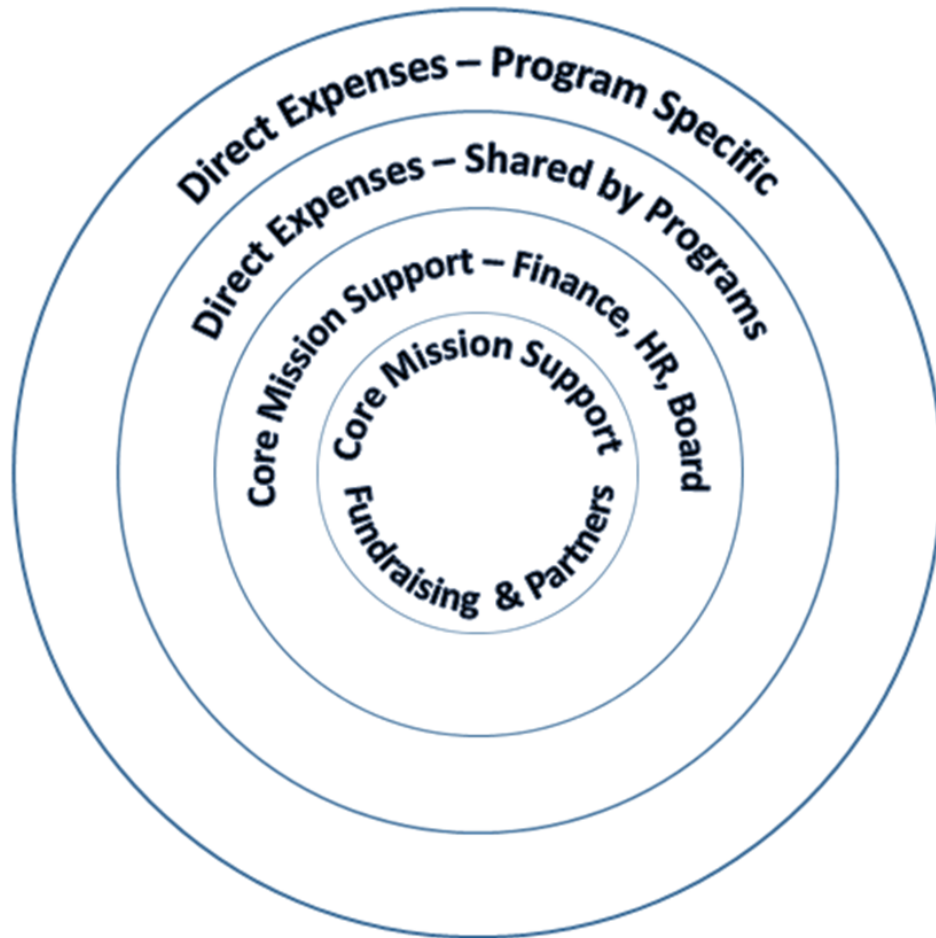
Real Life Examples – Propel Nonprofits' Audit Note Disclosure (table excerpt)

Operating Reserve available within 90 days	
Cash and cash equivalents (Program & Operations only)	\$ 981,910
Accounts receivable (net of allowance)	244,244
Loan interest receivable (available for program & operations)	79,504
Donor-restricted assets estimated to be released within 90 days*	185,164
Total	\$1,490,822
Operating Reserve requirement per policy	
Budgeted Operating Expenses FY2019	\$5,347,946
less Depreciation Expense	(161,700)
less provision for Loan Loss Reserves	(104,195)
less Grants to Other Entities with a corresponding source of revenue	(995,833)
Subtotal	4,086,218
divided by 4	
Total Operating Reserve Requirement	\$1,021,555

New Standard: Functional Expenses

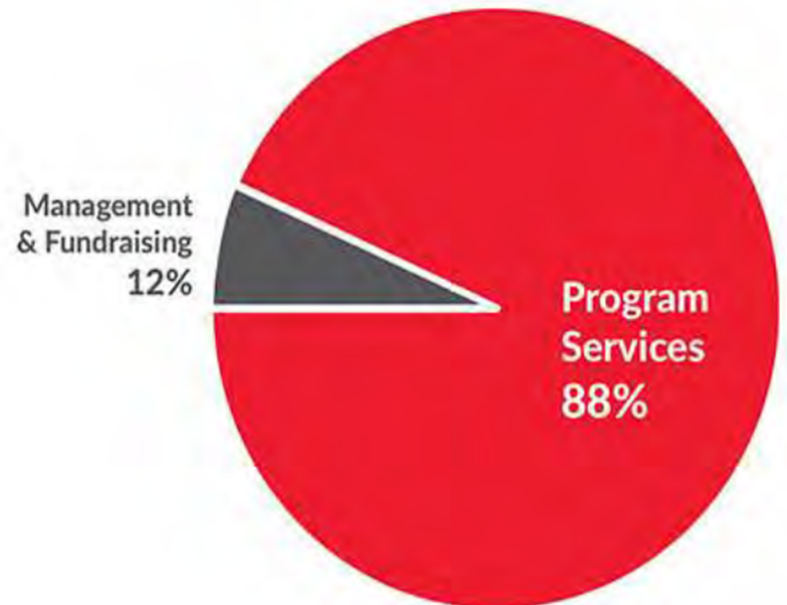


True Program Costs vs. Functional Expenses



Po – tay – toe,
Po – tah – toe?

There's a lot at stake!



Functional Expenses by Nature

Statement of Functional Expense For the Twelve Months Ending December 31, 20YY

	Program Services				Supporting Services			
	Program A	Program B	Program C	Subtotal	Admin	Fundraising	Subtotal	Total
EXPENSE								
Personnel	\$26,300	\$14,000	\$18,000	\$58,300	\$9,100	\$5,900	\$15,000	\$73,300
Contracted Services	4,300	1,000	1,100	6,400	1,500	-	1,500	7,900
Occupancy	2,223	1,270	1,588	5,080	762	508	1,270	6,350
Furniture & Equipment	628	359	449	1,436	215	144	359	1,795
Travel	500	150	250	900	25	250	275	1,175
Meeting Expenses	293	-	170	463	350	280	630	1,093
Marketing Expenses	300	-	-	300	-	350	350	650
Operating Expenses	4,700	3,800	1,700	10,200	1,070	740	1,810	12,010
Total Expense	\$39,244	\$20,579	\$23,256	\$83,079	\$13,022	\$8,172	\$21,194	\$104,273

New Standard Requires More Detail

Functional Expenses ≠ True Program Costs

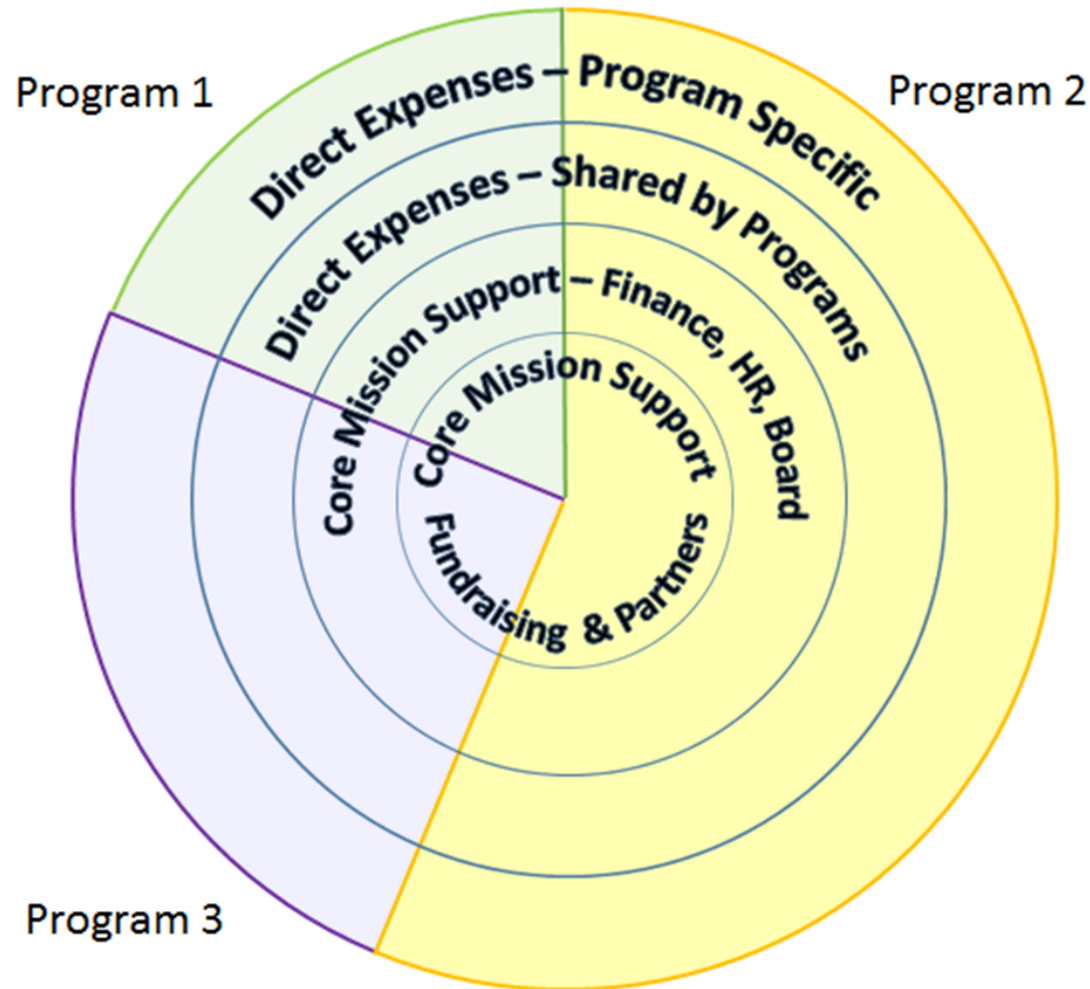
Statement of Functional Expense
For the Twelve Months Ending December 31, 20YY

	Program Services				Supporting Services			
	Program A	Program B	Program C	Subtotal	Admin	Fundraising	Subtotal	Total
EXPENSE								
Personnel	\$26,300	\$14,000	\$18,000	\$58,300	\$9,100	\$5,900	\$15,000	\$73,300
Contracted Services	4,300	1,000	1,100	6,400	1,500	-	1,500	7,900
Occupancy	2,223	1,270	1,588	5,080	762	508	1,270	6,350
Furniture & Equipment	628	359	449	1,436	215	144	359	1,795
Travel	500	150	250	900	25	250	275	1,175
Meeting Expenses	293	-	170	463	350	280	630	1,093
Marketing Expenses	300	-	-	300	-	350	350	650
Operating Expenses	4,700	3,800	1,700	10,200	1,070	740	1,810	12,010
Total Expense	\$39,244	\$20,579	\$23,256	\$83,079	\$13,022	\$8,172	\$21,194	\$104,273

As FASB Sees It Isn't Complete
These Totals Are Missing Core Mission Support

Core Support
for Programs

True Program Costs



One Step Closer to True Program Costs

Statement of Functional Expense For the Twelve Months Ending December 31, 20YY

	Program Services				Supporting Services			Total
	Program A	Program B	Program C	Subtotal	Admin	Fundraising	Subtotal	
EXPENSE								
Personnel	\$26,300	\$14,000	\$18,000	\$58,300	\$9,100	\$5,900	\$15,000	\$73,300
Contracted Services	4,300	1,000	1,100	6,400	1,500	-	1,500	7,900
Occupancy	2,223	1,270	1,588	5,080	762	508	1,270	6,350
Furniture & Equipment	628	359	449	1,436	215	144	359	1,795
Travel	500	150	250	900	25	250	275	1,175
Meeting Expenses	293	-	170	463	350	280	630	1,093
Marketing Expenses	300	-	-	300	-	350	350	650
Operating Expenses	4,700	3,800	1,700	10,200	1,070	740	1,810	12,010
Total Expense	\$39,244	\$20,579	\$23,256	\$83,079	\$13,022	\$8,172	\$21,194	\$104,273
Admin Allocation	5,209	2,995	3,646	11,850	(13,022)	1,172	(11,850)	0
Fundraising Allocation	4,111	2,336	2,897	9,344	0	(9,344)	(9,344)	0
Total Program Costs	\$48,564	\$25,910	\$29,799	\$104,273	\$0	\$0	\$0	\$104,273

If your auditors won't concede this alternative presentation in the main body of the audit, then push to have it included as Supplemental Information

Real Life Examples – Propel Nonprofits' Audit Statement of Functional Expenses (by nature)

	Year Ended March 31, 2018										
	Program Services						Core Mission Support				
	Training, Guidance, & Knowledge Sharing	Lending	Strategic Services	Accounting & Finance Services	Fiscal Sponsorship & Incorporation Services	Subtotal	One-time Merger Expenses	Management & General	Fundraising	Subtotal	TOTAL
EXPENSES											
Personnel Expenses	414,356	577,051	243,596	420,672	176,378	1,832,053	39,779	390,556	46,144	476,479	2,308,532
Contracted Services	168,033	14,048	61,731	48,613	16,384	308,810	13,952	33,334	32,336	79,622	388,431
Grants to other entities	40,000	0	102,700	0	2,225,945	2,368,645	0	0	0	0	2,368,645
Capital Support to Nonprofits	0	43,333	0	0	0	43,333	0	0	0	0	43,333
Occupancy	35,538	55,035	26,898	49,686	22,173	189,330	0	44,095	3,637	47,732	237,062
Equipment and Technology Expense	26,566	39,093	20,254	38,565	16,351	140,828	2,468	38,491	2,870	43,829	184,657
Travel Expenses	15,878	10,822	1,974	4,391	1,860	34,926	0	3,677	77	3,755	38,680
Meeting Expenses	12,861	3,082	4,841	940	2,197	23,922	7,636	6,100	89	13,825	37,747
Marketing and Communications Expenses	7,147	3,358	1,604	3,354	1,555	17,019	28,617	1,863	247	30,727	47,746
Other Operating Expenses	17,444	24,691	6,503	16,827	7,310	72,775	5,895	38,240	1,474	45,610	118,385
Interest Expense on Debt	0	330,133	0	0	0	330,133	0	0	0	0	330,133
Provision for Loan Loss Reserve	0	845,466	0	0	0	845,466	0	0	0	0	845,466
Other Filing & Fee Expense	0	8,174	0	2,261	3,463	13,898	0	176	0	176	14,074
TOTAL DIRECT EXPENSES	737,823	1,954,288	470,101	585,312	2,473,614	6,221,138	98,348	556,531	86,875	741,754	6,962,892
Administrative Allocation	101,964	155,243	78,360	146,972	63,002	545,540	0	(556,531)	10,991	(545,540)	0
Fundraising Allocation	18,245	28,552	14,632	25,335	11,101	97,865	0	0	(97,865)	(97,865)	0
TRUE PROGRAM COSTS	858,032	2,138,082	563,094	757,619	2,547,718	6,864,544	98,348	0	0	98,348	6,962,892

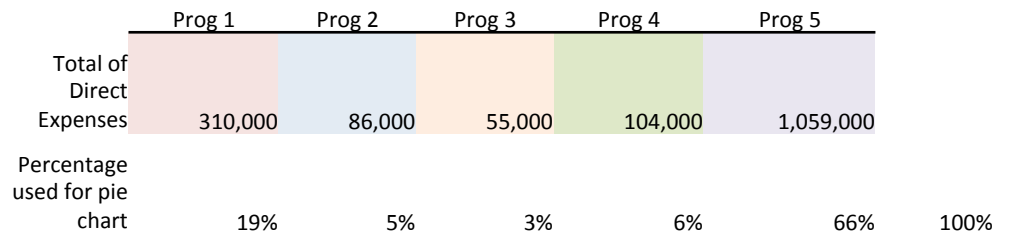
Excel Template to Create New Graphic

Propel Nonprofits

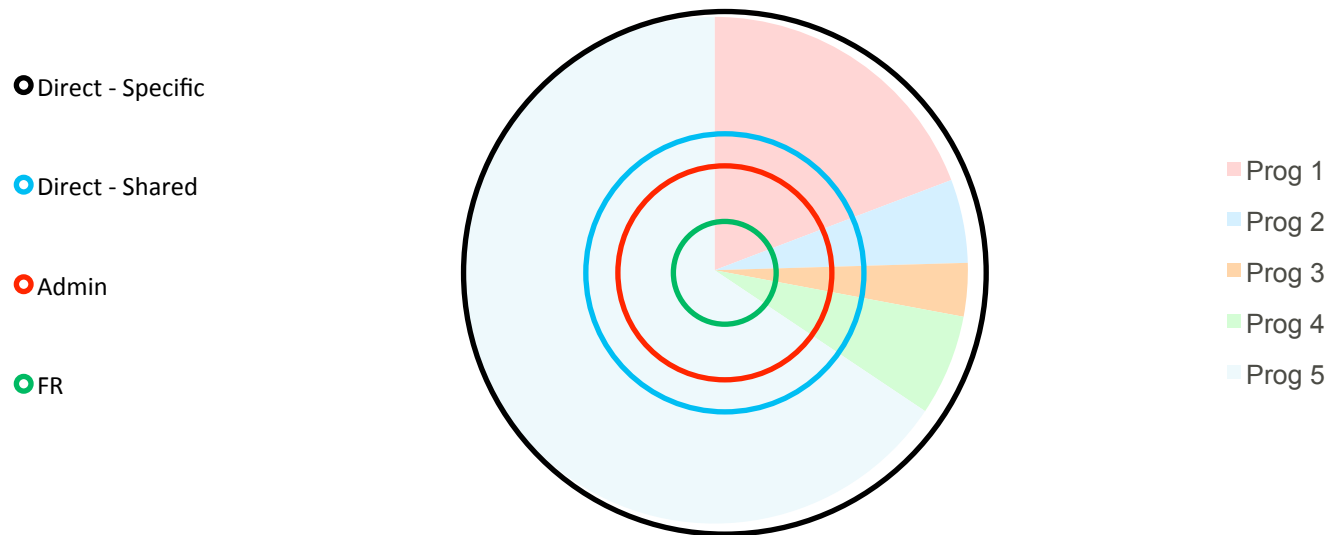
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Sample use of Excel Pie Chart and Excel Bubble Chart to Conceptualize Nonprofit Financial Reports using Core Mission Support

	Total per Ring Expenses	Cumulative \$ per Bubble	Admin	FR	Prog 1	Prog 2	Prog 3	Prog 4	Prog 5
Direct - Specific	1,390,000	1,939,000			250,000	75,000	50,000	85,000	930,000
Direct - Shared	224,000	549,000			60,000	11,000	5,000	19,000	129,000
Admin	250,000	325,000	250,000	11,000	46,000	13,000	8,000	15,000	157,000
FR	75,000	75,000		75,000	14,000	4,000	3,000	5,000	49,000
Total	1,939,000			86,000	370,000	103,000	66,000	124,000	1,265,000



True Program Costs – Core Mission Support



SAMPLE CHART

Wrap-up

Key points to take away from today's presentation:

- 1) Know enough about FASB standards to comply with good financial statement presentation without being complicit in perpetuating outdated ideas.
- 2) Your audit is your story to tell. Own your numbers and own your narrative.
- 3) Take the lead in educating others about the new standards and how to be strategic and intentional about using them.

Resources

- www.propelnonprofits.org
- Propel Resource - [Cash Flow Template](#)
- Propel Blog – [Knowing FASB Well Enough to Tell Your Story](#)
- Propel Blog – [A Graphic Re-Visioning of Nonprofit Overhead](#)
- Propel Blog – [Audacious Audits: Own Your Numbers, Own Your Narrative](#)



Thank you!

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