The background of the slide features a photograph of a sunset or sunrise over a landscape. A wooden cross stands on a hill in the foreground. The sky is filled with clouds, and the sun is low on the horizon, creating a warm glow. The image is overlaid with a green diagonal shape on the left and a dark blue diagonal shape on the right.

What Are You Taking
To Your Board and
Why?



Faith-Based Finance Collaborative

CPE CREDIT FOR THIS COURSE

There are three things needed in order for you to receive CPE credit for the course you are attending:

1. Sign the sign-in sheet for each course.
2. At the end of each course, you will receive a reminder to complete your course survey, and it will have a link to all surveys. Please only fill out the one for the course you just attended. You can also do this after the event if you don't have time in between sessions. And PLEASE don't forget to include your name, so we will know who to give credit to.
3. There will also be printable certificates available for you to download at the end of the conference. Please be sure to attend our last session to find out more!

Without these items we are not properly able to credit you for this course.

SESSION OBJECTIVES

At the end of this session you will be able to:

- Explain key elements needed for effective financial reporting
- Identify reporting formats that matter to the audience
- Create reports and dashboards that will report outcomes



GLENN WOOD

Pastor of Administration
Seacoast Church

I am the Church Administrator for Seacoast Church, a multisite church with 14 campuses in both SC & NC with average weekend attendance of about 15,000 where I have served for over 25 years. I am married for 30+ years and have two grown sons. I am a self proclaimed “geek” and work with administrators of large churches across the US & Canada with my association with The Church Network (TCN). I am blessed to get to do what I do.



TAMMY BUNTING

Chief Financial Officer
Concord Church

I have over twenty-five years of experience in accounting, business administration, operations, and management. This includes work in both the secular and non-profit Christian environments. I've been responsible for providing the controllership functions of all business environments at a multi-ministry church enterprise. I've been a partner in a thriving Intacct value-added reseller business, and have been the Director of Not-for-Profit Services at AcctTwo, a Financial Management Software and Business Process Outsourcing company. I am currently the CFO at Concord Church. I was raised and educated in the Christian church, and have a unique perspective into the world of non-profit and faith-based business administration and accounting.

WHAT DO WE REPORT?

WHAT DOES SEACOAST REPORT?

Financial numbers

- We track financials by campus and roll into a single P&L at month end
- Track on a detail level but generally report on a summary level

Nonfinancial numbers

- Average weekend attendance (Total, Adult, Children, Student, and Volunteers)
- Average giving per person - annual basis
- Number of baptisms by campus
- Number of first time givers
- Above average donations
- Number of attenders engaged in a small group

HOW ARE THEY REPORTED?

- Intacct dashboards
- Martus dashboards
- Excel charts

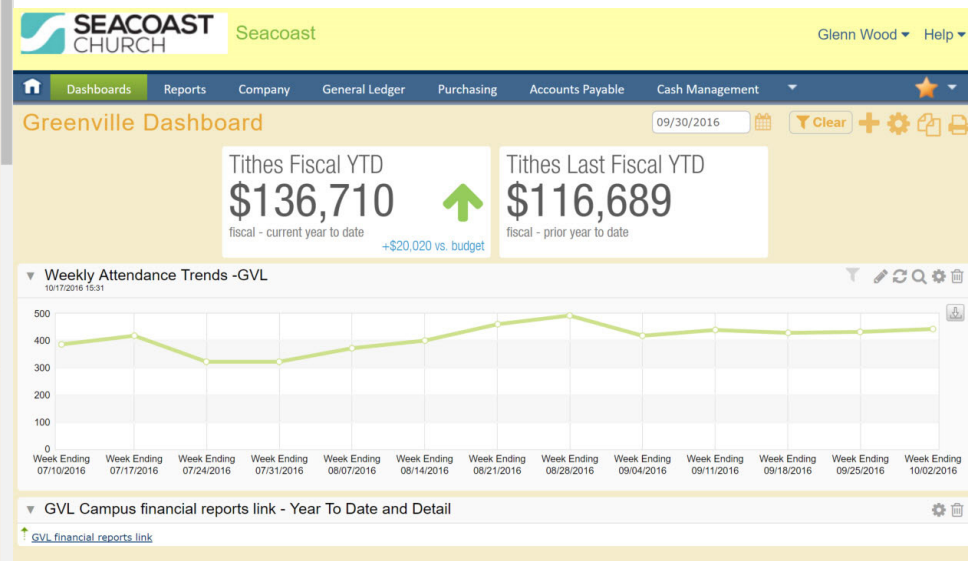
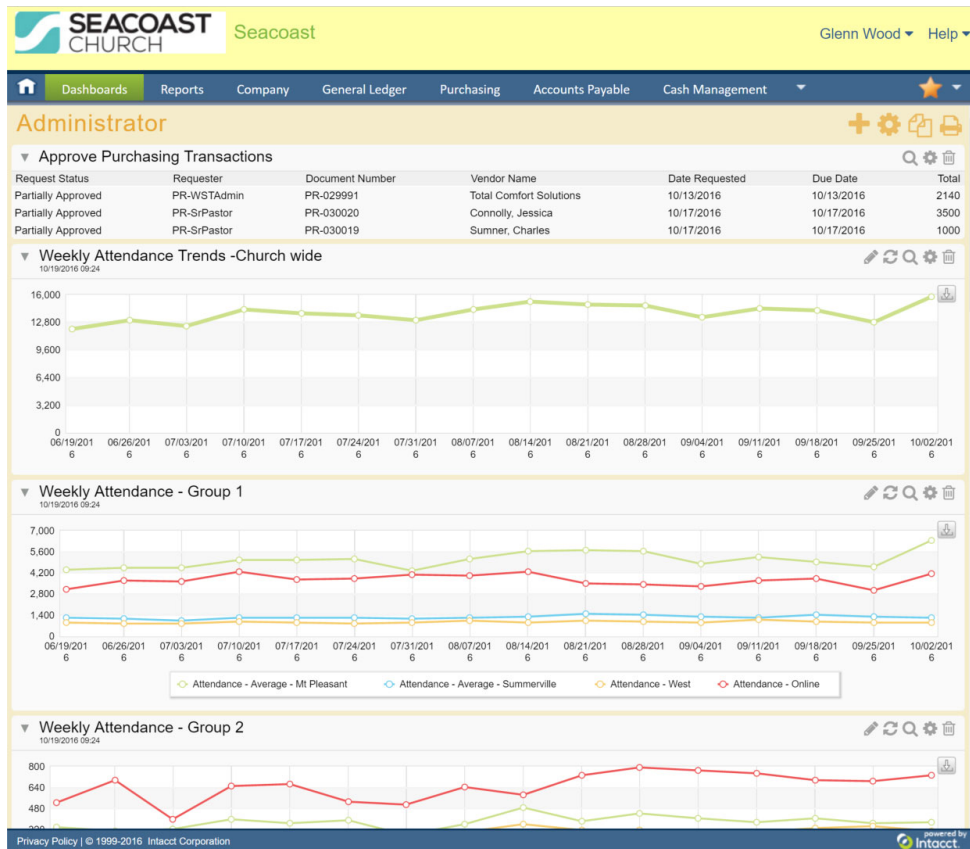


WHEN ARE THEY REPORTED?

- Executive Team meetings
- Staff meetings
- Trustee meetings
- Website & publications



SAGE INTAACT DASHBOARDS - SEACOAST



SAGE INTAACT DASHBOARDS - CONCORD

My Dashboards

Edit	View	Operations
Edit	View	Pastor Carter
Edit	View	Pastor Coner
Edit	View	Pastoral care
Edit	View	Preaching Conference
Edit	View	Primary Dashboard
Edit	View	Production
Edit	View	Report Package:Finance Overview
Edit	View	Report Package:Reporting Package - Category %
Edit	View	Report Package:Reporting Package - Dollars
Edit	View	Report Package:Reporting Package - Mission

By Category – By %

As a percentage of total revenue (or giving):

- ✓ Personnel costs
- ✓ Debt Service costs
- ✓ Facility Costs
- ✓ Ministry and Support Costs

Account Name	Month To Date 07/31/2019			Year To Date 07/31/2019			Year To Date 07/31/2019	Year Ending 12/31/2019	Year To Date 07/31/2019
	Monthly Actual	Monthly Budget	Monthly Variance	YTD Actual	% of Revenue	YTD Budget	YTD Variance	Annual Budget	Remaining Budget
▼ Revenue and Expense									
▼ Revenue									
▶ Contributions	982,015	916,667	65,349	7,052,192	89.6 %	6,416,667	635,526	11,000,000	3,947,808
▶ Grant Revenue	8,188	4,166	4,021	27,341	0.3 %	29,166	(1,826)	50,000	22,659
▶ Bookstore	44,574	14,000	30,574	147,793	1.9 %	98,000	49,793	168,000	20,207
▶ Other Revenue	130,974	142,425	(11,450)	647,193	8.2 %	845,126	(197,933)	986,761	339,568
Total Revenue - Variance Good/(Bad)	1,165,751	1,077,258	88,493	7,874,519	100.0 %	7,388,959	485,560	12,204,761	4,330,242
▼ Expenses - No Depr									
▶ Interest	(63,156)	(61,000)	2,157	(390,075)	(5.0) %	(427,000)	(36,925)	(732,000)	(341,925)
▶ Ministry and Support	(548,411)	(370,540)	177,870	(3,210,554)	(40.8) %	(2,942,205)	268,349	(4,538,090)	(1,327,537)
▶ Facilities	(81,920)	(58,533)	23,387	(419,839)	(5.3) %	(466,432)	(46,594)	(735,999)	(316,160)
▶ Payroll and Benefits	(463,426)	(417,807)	45,620	(2,917,099)	(37.0) %	(2,797,669)	119,431	(4,820,725)	(1,903,625)
Total Expenses - before Depreciation	(1,156,913)	(907,880)	249,034	(6,937,567)	(88.1) %	(6,633,306)	304,261	(10,826,814)	(3,889,247)
Net Gain (Loss)	8,838	169,378	(160,540)	936,952	11.9 %	755,653	181,299	1,377,947	440,995

By Mission – As Compared to Budget

Mission	Revenue	Expectation	Expenses	Expectation
Worship	\$\$\$	+(-)	\$\$\$	+ (-)
Grow	\$\$\$	+(-)	\$\$\$	+ (-)
Serve	\$\$\$	+(-)	\$\$\$	+ (-)
Give	\$\$\$	+(-)	\$\$\$	+ (-)

Where Are We Going? – Forecasting

	Year To Date 07/31/2019			Year Ending 12/31/2019	Change to Budget
	Actual	Budget	Budget Diff	OpBudget	Projection
Revenue					
Freewill Tithes & Offering	6,500,000	6,500,000	0	11,000,000	11,000,000
Other Revenue	900,000	800,000	100,000	1,204,761	1,304,761
Total Revenue	7,400,000	7,300,000	100,000	12,204,761	12,304,761
Expenses					
Interest	(390,075)	(427,000)	36,925	(732,000)	(695,075)
Other Disbursements					
Ministry and Support					
Expense - Community Outreach	(200,000)	(150,000)	(50,000)	(500,000)	(550,000)
Expense - Miscellaneous	(500,000)	(550,000)	50,000	(1,005,139)	(955,139)
Expense - Outside Services	(400,000)	(350,000)	(50,000)	(589,510)	(639,510)
Expense - Program/Ministry	(1,700,000)	(1,600,000)	(100,000)	(2,488,661)	(2,588,661)
Expense - Insurance	(150,000)	(165,000)	15,000	(208,080)	(193,080)
Total Ministry and Support	(2,950,000)	(2,815,000)	(135,000)	(4,538,090)	(4,673,090)
Facilities					
Expense - Utilities	(207,395)	(304,556)	97,160	(458,496)	(361,336)
Expense - Repair and Maintenance/Facilities	(212,444)	(161,876)	(50,566)	(277,503)	(328,070)
Total Facilities	(419,839)	(466,432)	46,594	(735,999)	(689,406)
Total Other Disbursements	(3,759,914)	(3,708,432)	(51,481)	(6,006,089)	(6,057,571)
Payroll and Benefits	(2,500,000)	(2,797,669)	297,669	(4,820,725)	(4,523,056)
Total Expenses	(6,649,989)	(6,933,101)	283,113	(11,558,814)	(11,275,702)
Net Income (Loss) from Operating Activities	750,011	366,899	383,113	645,947	1,029,059

WHY DO WE REPORT?

WHAT ARE THE “RIGHT” THINGS TO REPORT?

They are organization specific -

What is right for our church may not be relevant to you

Have to be actionable -

Knowing the number of homeless in the country is an important number but for Seacoast this isn't actionable. We are not called or equipped to make a difference on this scale

Have to be real -

The numbers have to be based on something we can consistently measure with reasonable certainty they are the same

KEY ELEMENTS TO CONSIDER

Review how to report data in order to get a clear understanding of where the church stands financially:

- By Dollars
- By Category
- By Mission

Discuss how to make financial statements come to life by disclosing:

- What we have?
- What we owe?
- Where we are?
- Where we should be?
- Where are we going?

Discuss the importance of measuring impacts and outcomes:

- What is our true measure of success?

Effective Reporting

- **Effective internal financial reporting** is always based on the idea that meaningful, usable, relevant, and timely information is provided to decision-makers in a format they can easily understand
 - Financial reports should be presented **in a manner most helpful** to those who use them
 - Graphs, charts, dashboards
 - Plain language narratives

MEASURING IMPACT

Why measure:

- ✓ To Declare Success
- ✓ To Evaluate Activities

What to measure:

- ✓ Mission → Strategy → Define Success
- ✓ Inputs → Outputs → Outcomes

How to measure:

- ✓ Quantifiable Survey Questions
 - ✓ Outcome Indicators

When to measure:

- ✓ Transformation - happens over time
- ✓ Before program → End of program → 1-5 years after program

By Dollars - Key Questions

CASH – What we Have

1. *What is our cash position? Is it within our agreed operating limits? Are we underwater with our restricted funds?*
2. *Is our overall cash improving or declining?*
3. *Are the investments improving or declining?*

Account	Unrestricted	Restricted	Expectation
Frost	\$\$\$	\$\$\$	+ (-)
Regions	\$\$\$	\$\$\$	+ (-)
Investments	\$\$\$	\$\$\$	+ (-)
Reserves	\$\$\$	\$\$\$	+ (-)

By Dollars - Key Questions

4. Reserves - Debt

- *How many months of debt service will the balance cover?*
- *What percentage of total budget is set aside for repair and replace?*
 - *Is it within our objectives?*
 - *Do we have a plan to improve the reserves?*

Debt Service Reserves – Availability

Balance	Number of Months	Expectation
\$\$\$\$	##	+ (-)

Capital Reserves – Availability

Balance	Number of Months	Expectation
\$\$\$\$	##	+ (-)

By Dollars - Key Questions

PAYABLES – What we Owe

- 1. If AP and other Current Liabilities were paid, how many months of operating expenses would non-restricted funds cover?
- Is it within our objectives?

Months Available – Cash

Unrestricted Funds (Net of Liabilities)	Number of Months	Expectation
\$\$\$\$	##	+ (-)

By Dollars - Key Questions

BORROWED FUNDS - What we Owe

1. Mortgage Balance
 - a. Financial Covenants – Compliance?
2. Percentage of church's giving being spent on debt
 - Are we within our expected %?
3. Has the church borrowed any money to fund regular operations?
 - a. LOC
 - b. Credit Cards
 - c. Or dipped into restricted funds or investments
4. What is the ratio of churches liabilities to unrestricted net assets?
 - How does this compare to our objectives?



By Dollars - Key Questions

REVENUE - Where are We

1. Is the trending with respect to overall revenue for tithes and offerings favorable or declining?
 - a.) If declining – what are the causes?
 - b.) What are we doing to address this?
2. Does the trending in the church's overall levels align with the trending in the church's overall attendance?
 - a.) Is the per capita giving trending favorably or unfavorably?
4. Other revenue trending favorably or unfavorably?
5. Are revenues in alignment with budget expectations?

By Dollars - Key Questions

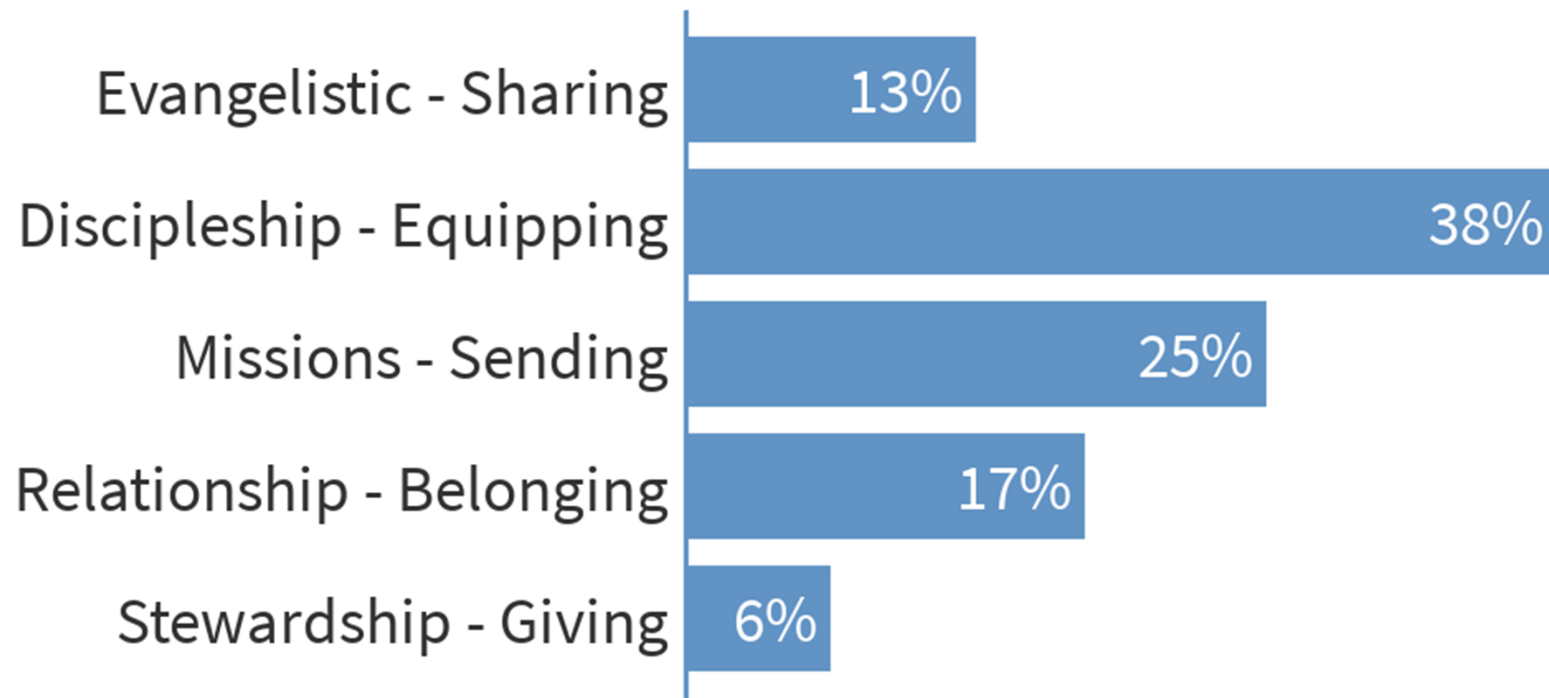
EXPENSES - Where are We

1. Are expenditures increasing or decreasing?
 - a.) If increasing – what are the causes?
 - b.) What are we doing to address this?
2. Are there appropriate approval processes being adhered to?
3. Are expenditures in alignment with budget, if not explain.

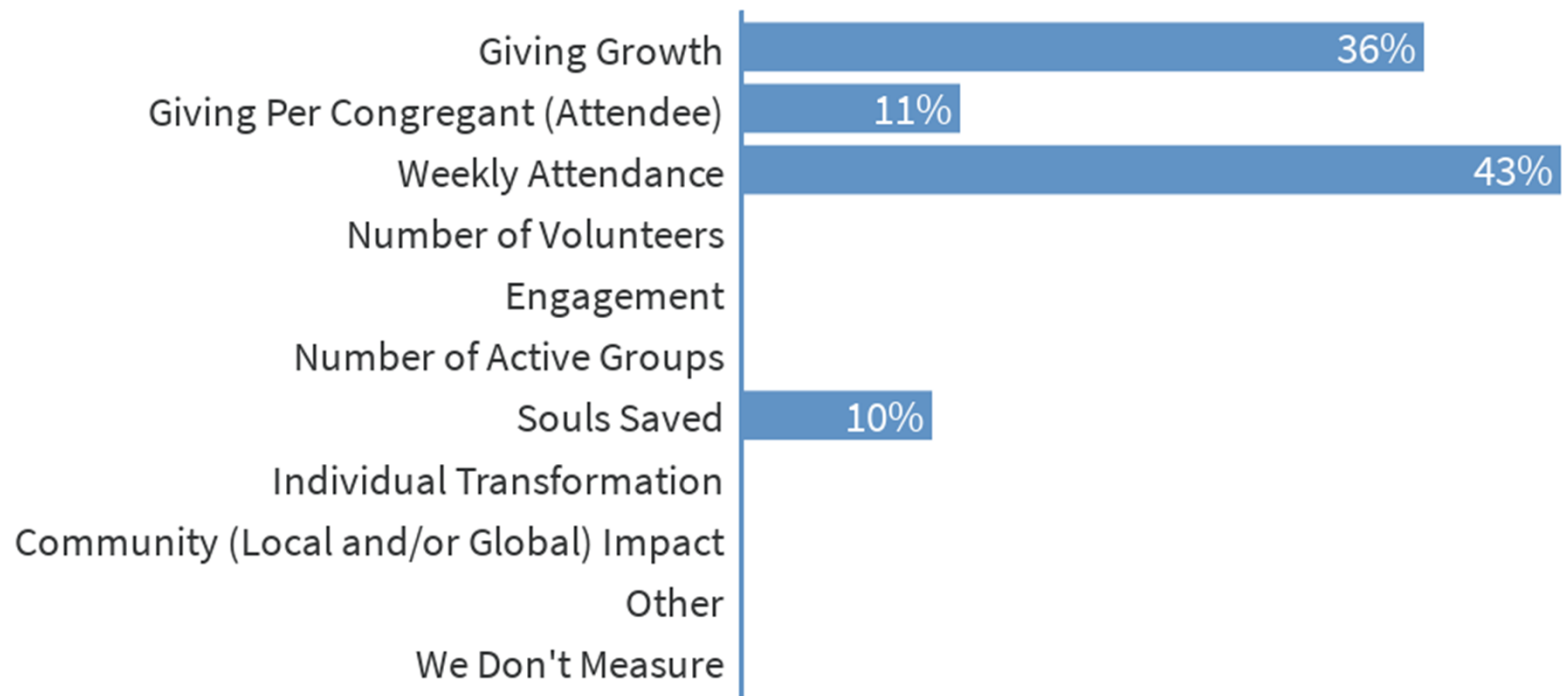
WHAT IS “IT” FOR YOUR ORGANIZATION?

- Number of missions trips?
- Feeding “x” number of people in a day/week/month/season
- Passing out “y” number of book bags prior to the new school year
- Increase number of first time givers by “x” percent
- Number of households impacted?
- Youth signed up for summer sports programs?

Which two best describe your church's mission?

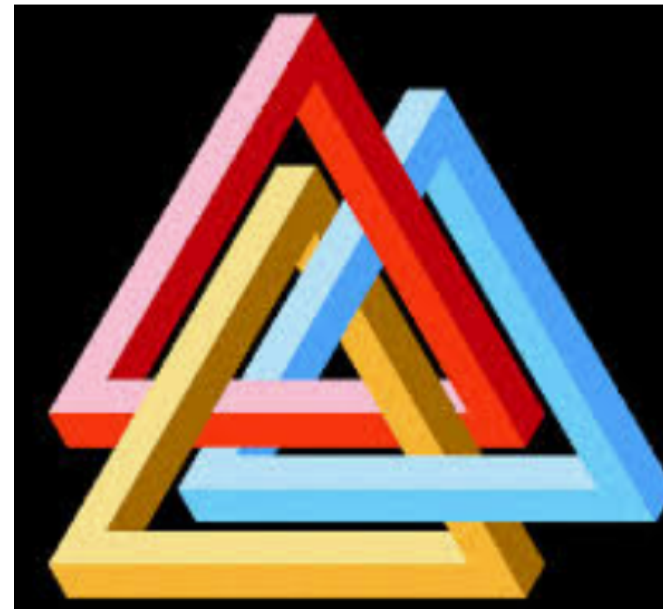


Which two do you track the most?



EVALUATING YOUR EFFECTIVENESS

1. People Involvement
2. Individual Transformation
3. Community Impact



CATEGORIES DESCRIBED


People Involvement

- These get measured the most because it is the easiest. Keeping track of nickels and noses is important but only the beginning point.

Individual Transformation

- What kind of product is your church producing? Is there ample evidence of life transformation in the lives of those who are being disciplined?

Community Impact

- The by-product of being a “disciple” focused church is that it will not only transform their lives but it will transform the lives of those they minister to. The number of the homeless will decrease. The percentage of teenage pregnancies will be reduced. The high school graduation rate will increase and the crime rate will decrease.
 - **True success is measured by the “outcomes”**
- 

MEASURING WHAT MATTERS

Moving towards the measurement of what matters most (outcomes) doesn't have to be difficult.

1. **Describe** the “outcomes” – What are the desired outcomes?
2. **Define** the “how” – How we are going to track?
3. **Declare** the “impact” – Are we producing the intended impact?

MEASURING WHAT MATTERS

3. **Declare** that we are “successful”.

How do we know? Are our efforts producing results, that are positive, meaningful and sustainable?

- ✓ **Positive:** What is the intended impact? Was is what we “wanted” to have happen?
- ✓ **Meaningful and important:** Bring about change. Quality of life.
- ✓ **Sustained:** Impact is the lasting effect.

MEASURING WHAT MATTERS

- Not typically found in financial statements
- Those who donate want to feel their gifts will be used in a way that furthers the mission
- Comparing the business (for profit) world to the non-profit



FOR PROFIT - COMPARISON

- Success = *profit (positive bottom line)*
 - Disclosed within the financial statements
- Success = *demand of product*
 - Is it advertising truthfully?
 - Are the products or services of good quality?

NON-PROFIT - COMPARISON

- In the non-profit world there is not a common, easily understood measure of success
- Large bottom lines may be an indicator that the organization is not doing as much as it could to fulfil its mission
- Think about how a church might measure its own success
 - *Souls saved per pew-hour preached?*
 - *Where would these data points come from?*

CHARACTERISTICS OF A PLAYER'S SCORECARD

- Is it simple?
- Does it show both the stats and the outcomes?
- Can I tell at a glance that I am winning?



WHERE ARE YOU NOW?

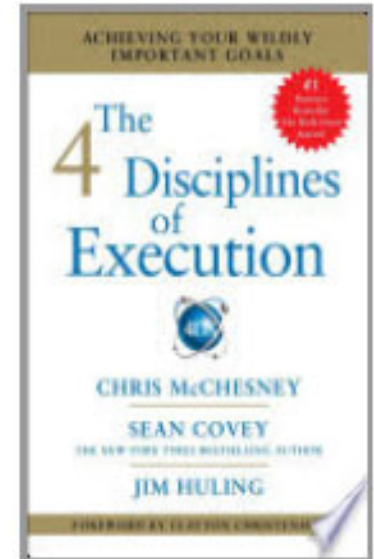
Winning (successful) or losing (unsuccessful) requires you to know two things:

1. Where you are now.
2. Where you should be now.

If program leaders were asked to report this sort of data on the spot they would probably say. “I think I can get most of that, but I’ll need time to pull it together”

- *Their problem is most likely not the absence of data but more likely too much data and little sense of what data is most important*

“We have learned that scoreboards can be a powerful way to engage employees. A motivating players’ scoreboard not only drives results but uses visible power of progress to instill the mindset of winning.”



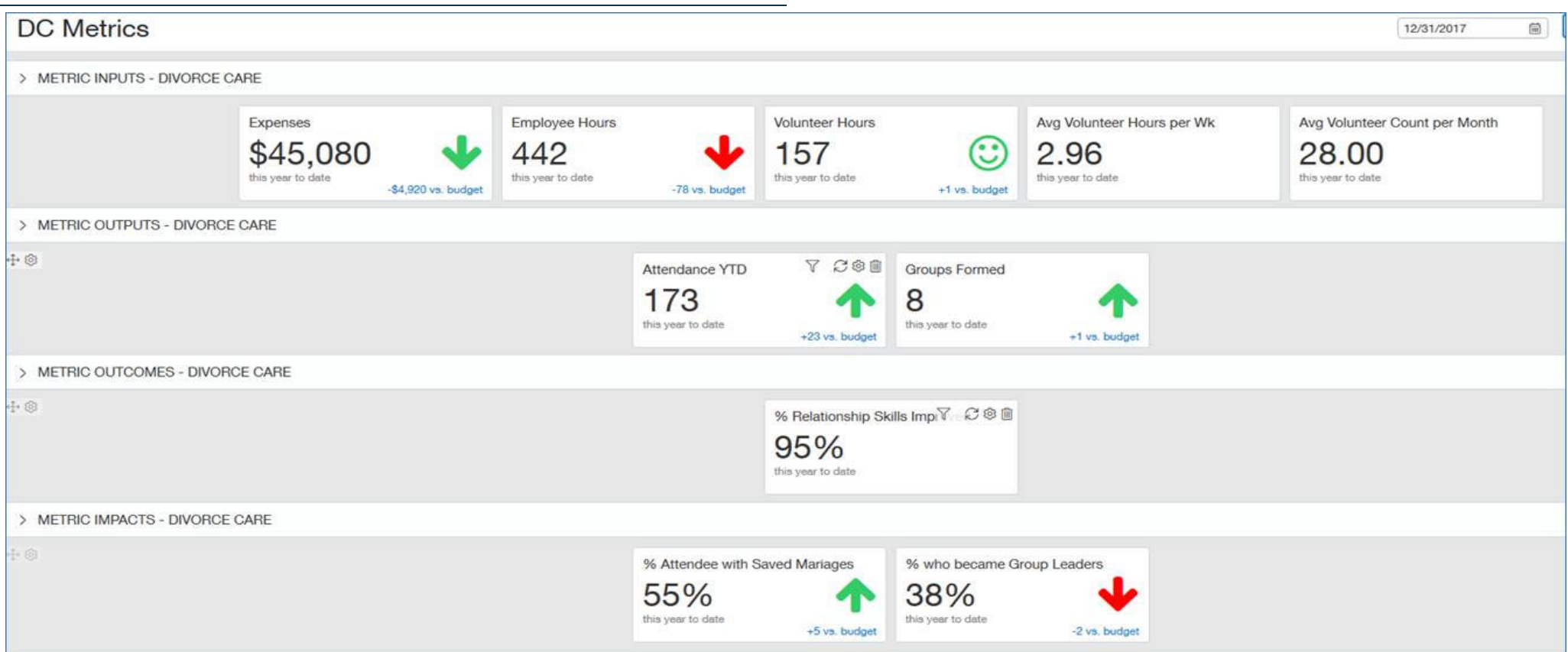
Measuring What Matters

MEASUREMENT EXAMPLE – DIVORCE CARE

Type	Metrics	Expectations	Results
INPUTS	<ul style="list-style-type: none"> - Dollars Spent - Employee Hours - Volunteer Hours - Volunteer Count 	<ul style="list-style-type: none"> - \$50K per year - 10 Hours per Week - 3 Hours per Week - 25 at any time 	<ul style="list-style-type: none"> - \$45K - 8.5 Hours per Week - 3 Hours per Week - 28
OUTPUTS	<ul style="list-style-type: none"> - Attendees per Year - Groups Formed 	<ul style="list-style-type: none"> - 150 Attendees - 7 Groups 	<ul style="list-style-type: none"> - 173 - 8 Groups

Type	Metrics	Expectations	Results
OUTCOMES	<ul style="list-style-type: none"> - Relationship Skills Improved - Based on Survey results of relationship before and after. - Question if relationship Improved Greatly, Improved Somewhat, or Did Not Improve 	<ul style="list-style-type: none"> - 90% improved 	<ul style="list-style-type: none"> - 95%
IMPACTS	<ul style="list-style-type: none"> - % of Attendees with saved Marriages - % of Attendees that became Group Leaders 	<ul style="list-style-type: none"> - 50% - 40% 	<ul style="list-style-type: none"> - 55% - 38%

Dashboard View



THANK YOU!

