



on board

Keep your financial reporting simple, clear and consistent, and your board will feel more confident and comfortable even if they don't know how to read the full financial statement.

■ by Ed McDowell and Ray Schnickels

Effective Fiscal Reporting

As the camp board was reviewing cash, the current year budget and the proposed budget for next year, they found the information to be confusing. It was not comparable from one year to the next. It took two hours for the board to try to make sense of what was presented, but decisions couldn't be made, and more meetings were required. It was frustrating to the board because they did not have clear and understandable information to make sound fiscal decisions.

It is the responsibility of the camp director to work with the board to make sure the right information is provided in a timely and clear manner. This means information that is clear and understandable, concise in presentation, comprehensive in scope and creates a context for good decision-making.

Ray Schnickels is the founder and president of Strategic Executive Tools, LLC. He has boiled down effective fiscal reporting into the following:

1. Dashboards

Using a dashboard with easy-to-understand indicators such as red, yellow and green dots can make complex information easy to understand. The board can quickly scan the information and know where they need to focus their attention. A dashboard saves time and confusion (compared to sorting through columns of numbers) to determine if the organization is performing according to plan.

2. Summary page

Summarizing the information using only the totals from each revenue source or expenses from each department eliminates the line-by-line details. All of the necessary information can be summarized onto one page. If a board member wants to see the details, they can have a copy of the entire financial statement. But, for decision-making and board governance, a summary sheet is sufficient.

3. Charts

A chart showing trends and comparisons to budget or the prior year can be easily understood. As the saying goes, a picture is worth a thousand words. Well, in this case, it is worth a thousand numbers, too. Everyone can understand a bar chart, which can tell the fiscal story more simply.

4. Predictive indicators

Financial statements alone only look at what has taken place in the past. Therefore, predictive indicators are needed to give a clear picture of where the organization will ultimately land at the end of the quarter or year. A financial predictive indicator is prepared by using pre-booked income compared to the budgeted time period. Having clarity on what can be expected in the future, builds confidence and comfort with the ability to make mid-course corrections to reach your goals.

5. Consistency

Consistency in reporting format and style is crucial in communicating complex financial information, as it builds confidence and brings clarity. Keep your financial reporting simple, clear and consistent, and your board will feel more confident and comfortable even if they don't know how to read the full financial statement. ■

■ You can download a sample dashboard at www.ccca.org/go/dashboard.



Ed McDowell is executive director of Warm Beach Camp and Conference Center and has served as CCCA board chair since January 2014. Ed is a sought-after speaker, teacher and consultant and is known as a skilled mediator. Email him at emcdowell@warmbeach.com.



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