Speaking

the

Same

Language

©Karen Millican All Rights Reserved
“I’m responsible for client services, not budgets.”
“I don’t understand accounting. Just tell me what I need to know.”
“I never look at the financial reports. I trust the Treasurer.”
Suggestions for accounting explanations that make your life easier
Your Communications Challenge

Knows what a dollar sign looks like

Understands accounting

% of people you work with

100%
Your Communications Challenge
Your Communications Challenge

Development

YOU
Your Communications Challenge

Development

YOU

Programs
Your Communications Challenge

Development

Programs

Management & Executives

YOU
Your Communications Challenge

- Development
- Programs
- Management & Executives
- Board Committees
Your Communications Challenge

Development

Programs

Management & Executives

Board of Directors

Board Committees
Your Communications Challenge

- Development
- Programs
- Management & Executives
- Board Committees
- Board of Directors

YOU
So.....what do you do?
Freak out and throw stuff!!!!
Find the common ground
3 money questions

everyone

wants answered
1. How are we doing?
2. Has anything changed?
3. Can we continue?
Finding the Common Ground

Answer the 3 Questions
Finding the Common Ground

Answer the 3 Questions

To the various groups
Finding the Common Ground

Answer the 3 Questions

To the various groups

By using the

*same information*
Finding the Common Ground

Answer the 3 Questions

To the various groups

By using the

*same information*

in different ways
Finding the Common Ground

- Development
- Programs
- Management & Executives
- Board Committees
- Board of Directors

YOU
Finding the Common Ground

Development

Management & Executives

YOU

Board of Directors

Programs

Board Committees
Finding the Common Ground
Speaking the same language
Talking to Programs Staff and Supervisors

Current Status?

What's Changed?

Can We Continue?

Program "A" Clients Served

Program "A" Total Expenses
Talking to Programs Staff and Supervisors

Current Status?

What’s Changed?

1. Identify significant changes for the program, the income or the expenses.
2. Explain why they changed
3. Outline the impact on the program(s)

For example:
• Orange juice costs are up due to a freeze. We expect OJ to cost 15% more for the rest of the year.
• Suzie suggested a change in the way we do intake processing which saved us 5% in office supplies.
Talking to Programs Staff and Supervisors

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• Suzie suggested a change in the way we do intake processing which saved us 5% in office supplies.

Can We Continue?

Overall Outlook
1. Describe progress toward goals. For example: we’ve achieved x% of our annual goal.
2. Tell them what they can do to help. ‘Please encourage your clients to choose grape juice instead of orange juice’.
3. Give early warnings where appropriate. You can say things like ‘we’re on target to meet our annual budget’ or ‘we’re watching cost per client closely’.
Talking to Fund Raising Staff and Supervisors

Current Status?

<table>
<thead>
<tr>
<th>Income Summary Report</th>
<th>This</th>
<th>Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Month</td>
<td>Year to Date</td>
</tr>
<tr>
<td>Budget</td>
<td>18,000</td>
<td>83,600</td>
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<tr>
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<td>17,850</td>
<td>80,320</td>
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<tr>
<td>Remaining</td>
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<td>3,280</td>
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What’s Changed?

<table>
<thead>
<tr>
<th>Events Status</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Income</td>
<td>40,875</td>
</tr>
<tr>
<td>Expenses</td>
<td>11,467</td>
</tr>
<tr>
<td>Net</td>
<td>29,408</td>
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</table>

Can We Continue?
Talking to Fund Raising Staff and Supervisors

Current Status?

What’s Changed?

1. Talk about what’s happening in grants and donations.
2. Give details and action plans for variances.

For example:
• Donations this month were $150 under because some pledges were lost in the mail.
• Funder A decided to split the February payment into 2 checks. Next one is due this week.

Can We Continue?

<table>
<thead>
<tr>
<th>Income Summary Report</th>
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<tr>
<td>Budget</td>
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<tr>
<td>Received</td>
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<tr>
<td>Remaining</td>
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<table>
<thead>
<tr>
<th>Events Status</th>
<th>Variance</th>
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</thead>
<tbody>
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<td>Expenses</td>
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<td>1%</td>
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<tr>
<td>Net</td>
<td>29,408</td>
<td>4%</td>
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Talking to Fund Raising Staff and Supervisors

Current Status?

Income Summary Report

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<th>Year to Date</th>
<th>Full Year</th>
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<tbody>
<tr>
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<td>83,600</td>
<td>312,400</td>
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<tr>
<td>Received</td>
<td>17,850</td>
<td>80,320</td>
<td>80,320</td>
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<tr>
<td>Remaining</td>
<td>150</td>
<td>3,280</td>
<td>232,080</td>
</tr>
</tbody>
</table>

What's Changed?

1. Talk about what’s happening in grants and donations.
2. Give details and action plans for variances.

For example:

- Donations this month were $150 under because some pledges were lost in the mail.
- Funder A decided to split the February payment into 2 checks. Next one is due this week.

Can We Continue?

Overall Outlook

1. Discuss over achievements and shortfalls. Explain actions being taken to capitalize and/or address.
2. Talk about any activities aimed at finding new funders or obtaining more from existing ones.
3. Offer a full year outlook for meeting fundraising targets.
Talking to Executive Management

Current Status?

Agency Summary

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,095,875</td>
<td>1,117,750</td>
<td>(21,875)</td>
<td>-2%</td>
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<tr>
<td>Payroll</td>
<td>758,407</td>
<td>761,326</td>
<td>(2,919)</td>
<td>0%</td>
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<tr>
<td>Expenses</td>
<td>367,716</td>
<td>366,075</td>
<td>3,110</td>
<td>1%</td>
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<tr>
<td>Net</td>
<td>(30,248)</td>
<td>(9,651)</td>
<td>(20,597)</td>
<td>213%</td>
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Income Summary Report

<table>
<thead>
<tr>
<th></th>
<th>This Year</th>
<th>Expected Full Year</th>
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</thead>
<tbody>
<tr>
<td>This Month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td>18,000</td>
<td>312,400</td>
</tr>
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<td>17,850</td>
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<td>232,080</td>
</tr>
<tr>
<td></td>
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Full copy of current Financial Statements
Full copy of variance analysis

Total Clients Served

Agency Total Expenses

Other visual charts as needed
Talking to Executive Management

What's Changed?

1. Identify significant changes for the programs, the income or the expenses.
2. Explain why they changed
3. Outline the impact on the program(s) and the agency.

For example:

• Orange juice costs are up due to a freeze. We expect OJ to cost 15% more for the rest of the year.

• Repairs budgeted for this month will be performed next month.
Talking to Executive Management

**What’s Changed?**

1. Identify significant changes for the programs, the income or the expenses.
2. Explain why they changed
3. Outline the impact on the program(s) and the agency.

For example:
- Orange juice costs are up due to a freeze. We expect OJ to cost 15% more for the rest of the year.
- Repairs budgeted for this month will be performed next month.

**Can We Continue?**

**Overall Outlook**

1. Describe progress toward goals. For example: we’ve achieved x% of our annual goal.
2. Talk about actions taken to capitalize on or contain unexpected results.
3. If conditions have changed (client numbers, environmental actions, etc.) provide outlooks for income and expense as appropriate.
4. Tee up any ‘hot buttons’ that Board members may focus on.
Talking to Programs Board Committees

Current Status?

What's Changed?

Can We Continue?
Talking to Programs Board Committees

Current Status?

What's Changed?

1. Identify significant changes for the program, the income or the expenses.
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3. Give early warnings where appropriate. You can say things like ‘we’re on target to meet our annual budget’ or ‘we’re watching cost per client closely’.
Current Status?

What’s Changed?

Can We Continue?

Create an executive summary by selecting summary charts shared with Management.

Project the financial impact of agency decisions, as needed.

Include original copy of all Financial Statements and any other data requested by the Committee.
Talking to Finance Committee – Monthly Meeting

Current Status?

What’s Changed?

1. Identify significant changes for the programs, the income or the expenses.
2. Explain why they changed
3. Outline the impact on the program(s) and the agency.
4. Perform quarterly outlook.

For example:
- Orange juice costs are up due to a freeze. We expect OJ to cost 15% more for the rest of the year.
- Repairs budgeted for this month will be performed next month.

Can We Continue?

Create an executive summary by selecting summary charts shared with Management.

Project the financial impact of agency decisions, as needed.

Include original copy of all Financial Statements and any other data requested by the Committee.
Talking to Finance Committee – Monthly Meeting

Current Status?

Agency Summary

<table>
<thead>
<tr>
<th></th>
<th>Variance</th>
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<tbody>
<tr>
<td>Income</td>
<td>58,125</td>
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<tr>
<td>Payroll</td>
<td>(2,919)</td>
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<tr>
<td>Expenses</td>
<td>3,110</td>
</tr>
<tr>
<td>Net</td>
<td>59,403</td>
</tr>
</tbody>
</table>

Create an executive summary by selecting summary charts shared with Management.

What’s Changed?

1. Identify significant changes for the programs, the income or the expenses.
2. Explain why they changed
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4. Tee up any ‘hot buttons’ that Board members may focus on.
Talking to Finance Committee - Annually

Agency financial audit

Agency IRS 990
Talking to Finance Committee - Annually

Agency financial audit

Agency IRS 990

Review all financial policies & procedures
Talking to Finance Committee - Annually

Agency financial audit

Agency IRS 990

Review all financial policies & procedures

Annual budget
Talking to Board of Directors

Current Status?

What’s Changed?

Can We Continue?

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</tr>
<tr>
<td>Expenses</td>
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<td>366,075</td>
</tr>
<tr>
<td>Net</td>
<td>49,752</td>
<td>(9,651)</td>
</tr>
</tbody>
</table>

Create an executive summary by selecting summary charts shared with Management.

Project the financial impact of agency decisions, as needed.

Include original copy of all Financial Statements and any other data requested by the Board.
Talking to Board of Directors

Current Status?

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Project the financial impact of agency decisions, as needed.

Include original copy of all Financial Statements and any other data requested by the Board.
Karen Millican

Business Tutor\textsubscript{LLC}

Learn. Apply. Succeed.

millican@pricingcatalyst.com

512-773-7281
## APPENDIX - Income Pipeline Report Example -- Detail

**Agency Income Pipeline Report**  
**March 31, 20XX**

<table>
<thead>
<tr>
<th></th>
<th>J</th>
<th>F</th>
<th>M</th>
<th>A</th>
<th>M</th>
<th>J</th>
<th>J</th>
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<th>O</th>
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<tbody>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Funder A</td>
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<td></td>
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<td>-</td>
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<tr>
<td>Funder 3</td>
<td>-</td>
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</tr>
<tr>
<td>Funder B</td>
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<tr>
<td>Donations</td>
<td>450</td>
<td>(320)</td>
<td>150</td>
<td>8,000</td>
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<td>72,280</td>
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<tr>
<td>Total remaining</td>
<td>450</td>
<td>2,680</td>
<td>150</td>
<td>46,600</td>
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<td>21,600</td>
<td>24,000</td>
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<td>18,000</td>
<td>18,000</td>
<td>18,000</td>
<td>232,080</td>
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**Note:**  
Donations and remaining amounts are adjusted for the donor's contribution.