

Measuring Success with KPIs and Ratios

CapinCrouse International Symposium

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Measuring Success with KPIs and Ratios

Learning objectives:

1. Define key KPIs and ratios for monitoring and evaluating financial and organizational performance within your organization
2. Identify key ratios available through CapinData
3. Develop a framework for implementing key measurements within your organization
4. Address questions about current business and operational issues international nonprofit and mission organizations face



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Measuring Success with KPIs and Ratios

Learning objectives:

1. Provide background on our use of KPIs and ratios
2. Show you what is available through CapinData across industries
3. Help you develop ideas about implementing key measurements within your organization
4. Address questions about what data/KPIs/ratios would be helpful to you in light of the current business and operational issues you face



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- About 20 years ago, we realized we were using several informal KPIs, primarily in the church practice, as part of predictive analytical procedures... *e.g., payroll*
- Aggregated and expanded to provide a “value-add” to clients
 - Worked with many church client representatives to develop the Church Financial Health Index™ (CFHI)

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- Church Financial Health Index
 - 25-ratio report providing historical trend data, peer comparisons, and benchmarks/targets...

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- Church Financial Health Index – sample ratios:

- Days of expendable net assets
- Available days of cash flow coverage
- Liquidity ratio
- Debt to contributions
- Debt per giving unit
- Contributions per giving unit
- Median household income contributed
- Personnel to total expenses
- Facility cost per square foot

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CapinCrouse Comprehensive Benchmark Report							CAPINCROUSE	
Sample Size in Peer Averages: 47								
DEMOGRAPHIC INFORMATION	2019	2020	2021	2022	2023	Average	Benchmark	
Giving Units	2,912	3,620	3,459	3,142	3,540	2,606		
Average Adult Attendees (Excludes Children)	6,254	10,833	9,774	10,538	9,797	4,570		
Total Attendees Including Children	7,420	11,517	10,378	11,326	10,757	5,839		
Full Time Equivalents	77	81	86	92	96	87		
Attendees to Staff	96	142	121	123	112	67	Within Benchmark 65 - 90; Red Flag: any result less than 50	
Contributions Without Donor Restrictions	\$11,711,136	\$13,194,575	\$13,677,951	\$14,971,724	\$16,009,318	\$12,784,736		
Excluding Large One-Time Gifts Without Donor Restrictions	\$14,248,471	\$15,266,573	\$15,314,792	\$16,500,332	\$17,341,116	\$14,012,687		
Total Contributions Given Online Including Large One-Time Gifts	\$0	\$0	\$12,579,127	\$12,876,195	\$13,554,792	\$9,233,165		
Percent of Total Contributions Given Online	0%	0%	69%	78%	73%	60%		
Total Outsourced Full-Time Equivalents	3	2	4	4	4	4		
Facility Square Footage	205,319	205,319	205,319	205,319	205,319	285,334		
Number of Locations	5	6	6	6	6	5		
CASH FLOW AND RESERVES RATIOS AND MEASUREMENTS	2019	2020	2021	2022	2023	Average	Benchmark	
1 Days of Expendable Net Asset Reserves	130	336	233	147	168	85	Within Benchmark: 30 - 60 days; Red Flag: Less than 15 days	
2 Days of Operating Cash and Investments on Hand to Fund Annual Cash Expenditures	115	224	262	150	175	109	Within Benchmark: 40 - 80 days; Red Flag: Less than 20 days	
3 Available Days of Cash Flow Coverage	79	231	292	271	193	213	Within Benchmark: 120 - 180 days; Red Flag: Less than 60 days	
4 Liquidity Ratio	(5.5)	22.1	8.1	20.2	18.0	4.9	Within Benchmark: at least one month of cash expenses; Red Flag: any negative amount including amounts covered by an available operating LOC. > or = 5.0	
5 Net Cash Availability	\$3,420,744	\$6,999,283	\$8,781,978	\$4,820,846	\$7,035,697	\$3,431,664	Within Benchmark: at least one month of cash expenses; Red Flag: any negative amount including amounts covered by an available operating LOC.	
Net Cash Availability — including unused operating line of credit	\$3,420,744	\$6,999,283	\$8,781,978	\$4,820,846	\$7,035,697	\$4,348,634		
Std: At Least One Month's Worth of Cash Expenses	\$887,805	\$1,005,243	\$1,177,547	\$1,274,077	\$1,389,117	\$1,062,336		
DEBT RATIOS AND MEASUREMENTS	2019	2020	2021	2022	2023	Average	Benchmark	
6 Debt to Contributions Without Donor Restrictions	0.7	0.8	0.7	0.7	0.5	0.7	Less than or equal to 2.0 is within benchmark; > 2.0 - 3.0 is in the warning range; > 3.0 is a Red Flag.	
7 Current Ratio	28.3	20.1	9.3	5.0	8.2	2.8	Minimum 2.0	
8 Mandatory Debt Service to Contributions Without Donor Restrictions	10%	3%	4%	5%	5%	7%	< 15% - 20% of contributions without donor restrictions (some lenders will allow up to 30%)	
9 Debt per Average Adult Attendee/Giving Unit	\$1,357	\$1,018	\$1,086	\$971	\$919	\$1,831	Within Benchmark: < or = 2.0 x contributions w/o donor restrictions; Warning Range: between 2.0 and 3.0 x contributions w/o donor restrictions; Red Flag: > 3.0 x contributions w/o donor restrictions	
Debt per Average Adult Attendee	\$1,357	\$1,018	\$1,086	\$971	\$919	\$1,831		
Percentage Change		-25%	7%	-11%	-5%			
Std: 2.0 X Contributions Without Donor Restrictions per Average Adult Attendee	\$3,745	\$2,436	\$2,799	\$2,841	\$3,268	\$5,484		

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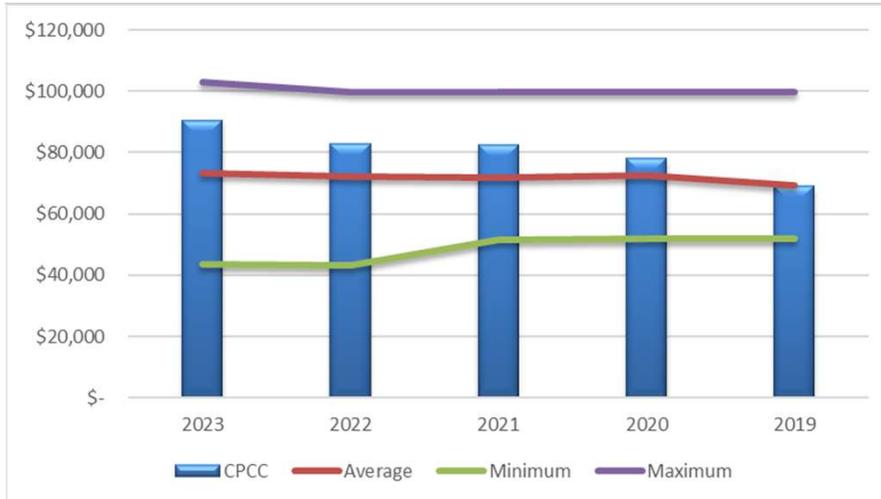
Debt per Giving Unit	\$2,914	\$3,047	\$3,070	\$3,256	\$2,543	\$3,596	Within Benchmark: < or = 2.0 x contributions w/o donor restrictions; Warning Range: between 2.0 and 3.0 x contributions w/o donor restrictions; Red Flag > 3.0 x contributions w/o donor restrictions
Percentage Change		5%	1%	6%	-22%		
Std. 2.0 X Contributions Without Donor Restrictions per Giving Unit	\$8,043	\$7,290	\$7,909	\$9,530	\$9,045	\$9,787	
10 Debt Coverage	2.15	11.64	4.91	4.02	4.00	2.49	> or = 1.15
INCOME/GIVING RATIOS AND MEASUREMENTS							
	2019	2020	2021	2022	2023	Average	Benchmark
11 Net Income Ratio	10%	24%	10%	10%	8%	9%	Good: Positive %
Two Year Average Net Income Ratio		17%	17%	10%	9%		Good: Improving Trend
Contributions Without Donor Restrictions per Average Adult Attendee/Giving Unit							
<i>Excluding Large One-Time Gifts Without Donor Restrictions</i>							
Contributions Without Donor Restrictions per Average Adult Attendee	\$1,873	\$1,218	\$1,399	\$1,421	\$1,634	\$2,696	
Percentage Change		-35%	15%	2%	15%		
Contributions Without Donor Restrictions per Giving Unit	\$4,022	\$3,645	\$3,954	\$4,765	\$4,522	\$4,838	
Percentage Change		-9%	8%	21%	-5%		
13 Total Contributions per Average Adult Attendee/Giving Unit							
<i>Excluding Accrual Pledges and Large One-time Gifts</i>							
Total Contributions Per Average Adult Attendee	\$2,278	\$1,409	\$1,567	\$1,566	\$1,770	\$2,957	Good: >\$2,000 Above Average: >\$2,500 Strong: >=\$3,000
Percentage Change		-38%	11%	0%	13%		
Total Contributions Per Giving Unit	\$4,893	\$4,217	\$4,428	\$5,252	\$4,899	\$5,264	
Percentage Change		-14%	5%	19%	-7%		
14 Median Household Income Given to the Church							
Per Giving Unit Tennessee (Local County Median Household Income)	7.7%	6.5%	6.8%	7.2%	7.5%		
	\$63,846	\$64,418	\$65,463	\$72,561	\$65,231	*	*
EXPENSE RATIOS AND MEASUREMENTS							
	2019	2020	2021	2022	2023	Average	Benchmark
15 Benefits to Salaries	15%	17%	17%	16%	16%	22%	
<i>All Employees, Not Just FTEs</i>							
16 Average Salaries and Benefits per FTE							
<i>Excluding Depreciation but Including Current Debt Principal</i>							
Salaries	\$59,957	\$62,426	\$68,015	\$73,209	\$79,574	\$60,038	
Benefits	\$9,228	\$10,531	\$11,404	\$11,348	\$12,646	\$12,228	
Salaries and Benefits	\$69,185	\$72,958	\$79,419	\$84,558	\$92,220	\$73,597	
16a Salaries and Benefits of All Employees per FTE	\$69,025	\$78,093	\$82,665	\$82,977	\$90,547	\$73,141	
<i>Including Outsourced Employees</i>							
Personnel and Mandatory Debt Service Payments to Total Cash							
17 Expenditures							
<i>Excluding Depreciation but Including Current Debt Principal</i>							
Personnel to Cash Expenditures	46%	49%	48%	50%	52%	50%	40% - 55%
Mandatory Debt Service Payments to Cash Expenditures	11%	4%	4%	5%	5%	7%	15% or less
Personnel (Including Outsourced Personnel) to Total Cash Expenditures	48%	53%	52%	51%	53%	51%	Within Benchmark: between 40-70%; Warning Range: between 35-40% or 70-75%; Red Flag: <35% or >75%
<i>Excluding Depreciation but Including Current Debt Principal</i>							

Church Days Expenses in Reserve



Church

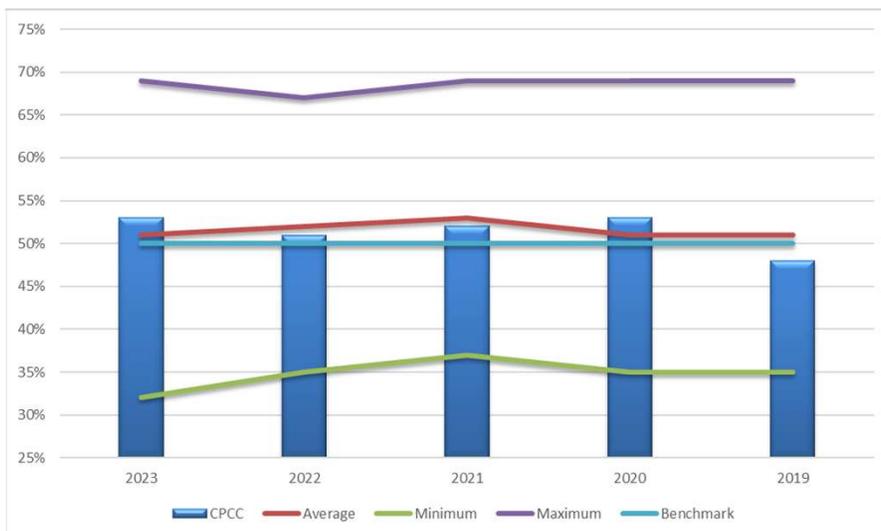
Average Salaries + Benefits per Employee



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Church

% of Each \$ on Personnel (CFHI cash denominator)



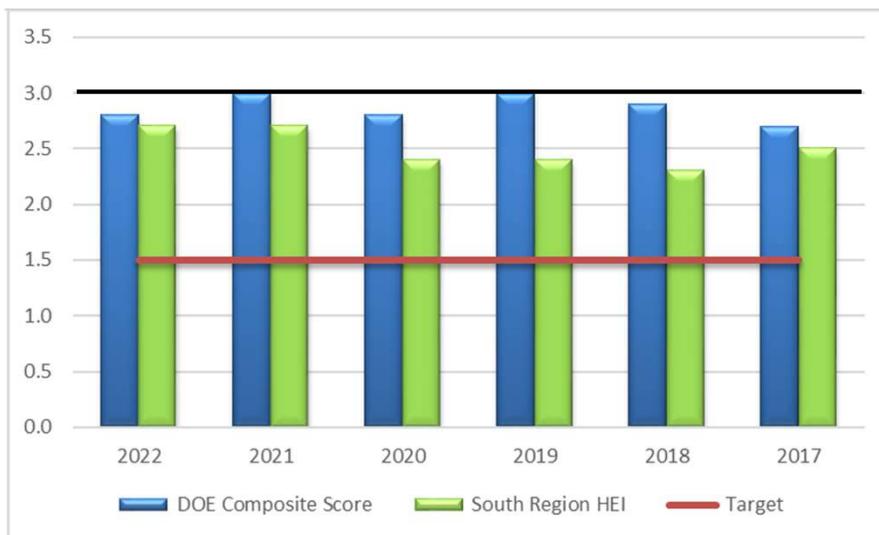
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- CFHI
- Higher Education

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College

Department of Education Score (DOE Score) Components



CapinData

- CFHI
- Higher Education
- International

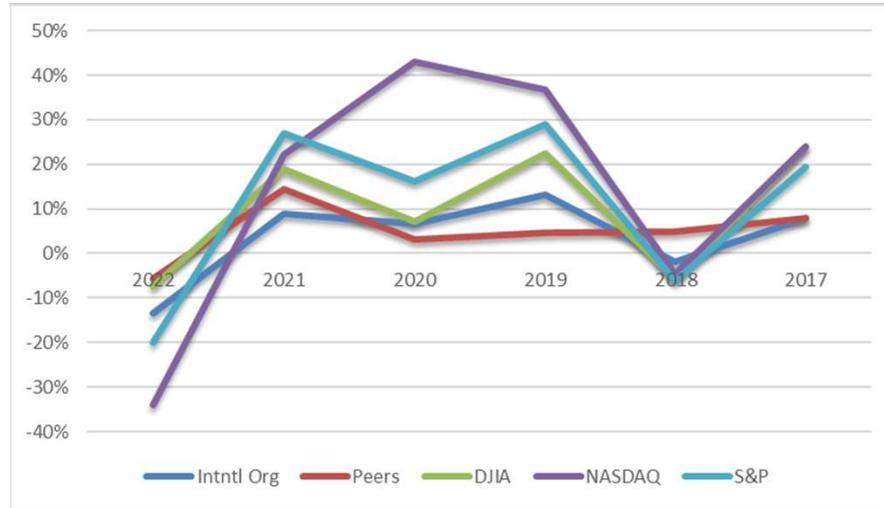
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	INTERNATIONAL ORG.				PEER DATA			
	2022	2021	2020	2019	Year 1	Year 2	Year 3	Year 4
Assets to Liabilities - total ratio	\$ 8.24	\$ 8.58	\$ 12.69	\$ 8.95	\$ 5.70	\$ 5.63	\$ 4.71	\$ 5.30
Net Asset %'s:								
Without restrictions	37%	45%	50%	44%	45%	51%	49%	52%
Without restrictions, excluding PPE	24%	32%	41%	7%	25%	30%	23%	26%
With donor restrictions	63%	55%	50%	56%	55%	49%	51%	48%
Days Expenses in W/O/R Net Assets (excluding PPE)	65	106	126	15	68	97	67	75
Expense %'s:								
Program	82%	81%	77%	77%	82%	81%	81%	81%
Administrative	9%	10%	15%	15%	11%	12%	13%	12%
Fund Raising	9%	9%	8%	8%	7%	7%	7%	7%
Fund Raising Expense to Total Contributions	\$ 0.10	\$ 0.09	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08
Change in Contributions:	-2%	9%	1%	0%	7%	0%	3%	3%
Single Year Investment Return	-13%	9%	7%	13%	-6%	14%	3%	5%

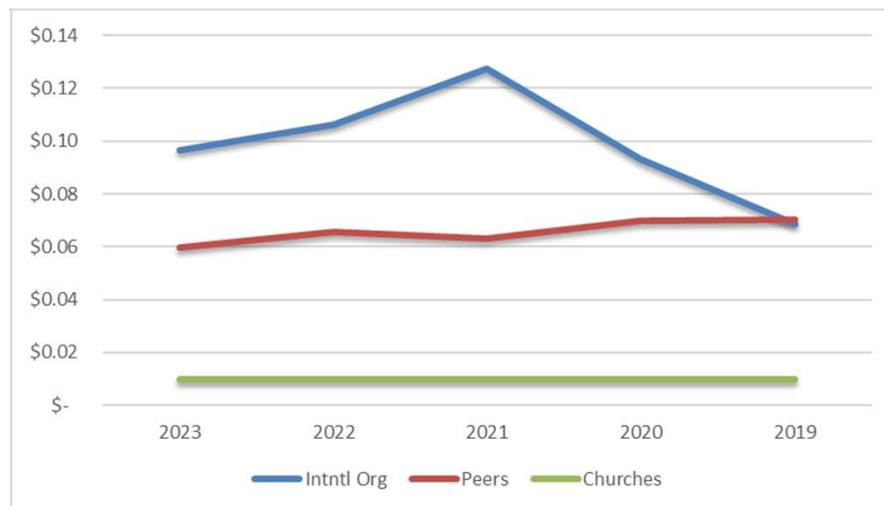
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International Organization Investment Return



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International Organization Cost to Raise \$1



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- CFHI
- Higher Education
- International
- K-12 Schools

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