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HHS Accelerator

The HHS Accelerator Data Project:

Interim Report

May 2013

The HHS Accelerator Data Project (Accelerator Data) is a City-led, cross sector initiative to help New York City's nonprofit sector manage data, benchmark performance, and share information with their peers, funders and other stakeholders. First developed in 2010 as the NYC Human Service Data Project, the initiative is positioned as long-term effort to increase accessibility and understanding of nonprofit financial and performance data to strengthen the health and human services sector.

This memo provides an update on the work of Accelerator Data including 1) an overview of the initiative 2) a review of work to date and 3) next steps and key considerations.

History and Development

The conceptual framework for Accelerator Data was conceived in a public-private workgroup of the NYC Strengthening Nonprofits Task Force, led by Linda I. Gibbs, the Deputy Mayor for Health and Human Services. The taskforce urged the City to take leadership in convening stakeholders in the increasingly complex area of collecting, reporting and sharing data on human service program performance and outcomes. Launched as the NYC Human Service Data Project (HS Data), the initiative was funded by the Federal Health and Human Services American Recovery and Reinvestment Act (ARRA) Strengthening Communities Fund, and additionally supported by Blue Ridge Foundation and the DMHHS Management Innovation division's HHS Accelerator project. HS Data was overseen by a steering committee of nonprofit and philanthropic representatives co-chaired by Matt Klein, the Executive Director of the Blue Ridge Foundation and Louisa Chafee, Director of Management Innovation at DMHHS.

In its first two years, HS Data developed as an inclusive effort supported by professional consulting firms that engaged hundreds of nonprofit agencies and the NYC philanthropic community. Stakeholders participated in developing the initiative's scope, focus, methodology and assessing its technology needs. This effort laid significant groundwork for an ambitious undertaking widely understood to require multi-year efforts to build and support collaboration in benchmarking for all health and human service subsectors.

As the initiative's development phase was completed, a key consideration for the next phase became identifying an IT platform for the work to continue in an accessible and transparent environment that supports the spirit of collaboration with which it was conceived. The launch of HHS Accelerator, the City's new IT-based health and human services procurement system emerged as a logical home for the work as a centralized portal positioned to become the virtual interface for New York City nonprofits. As part of the DMHHS Management Innovation division, Accelerator Data will have broadest opportunity to engage and impact all health and human service subsectors and providers to realize its ambitious mission to make data collection and reporting less burdensome and more meaningful to providers and funders alike.

Focus and Goals

The initial phase of Accelerator Data worked to build consensus on the importance of increasing nonprofit capacity to use data in strategic decision making and produce sector-level data to inspire positive change. As work progressed, Accelerator Data focused on the way that the performance results

of NYC-funded human service programs are 1) defined, 2) reported to the City, and 3) made more broadly available.

> *Defining results*. A central premise of Accelerator Data is that in any human service field there are at least a few results that most practitioners and observers can agree are important to achieve. Accelerator Data aims to identify these key results through a broadly inclusive process and to standardize their definitions for use by City agencies in their respective service procurements.

> *Reporting results*. The Accelerator Data initiative is one piece of an overall effort to simplify and modernize the way that contracted service providers interact with City agencies.   Within this broad reform, Accelerator Data's ultimate goal is to reduce the administrative burden associated with traditional practices of reporting performance results.

> *Sharing results*.   Historically, information reporting flows mostly one-way, from contracted service providers to government funding agencies. Accelerator Data's goal is to promote mechanisms to make aggregated performance data (i.e., data that is not client-specific) more open and accessible so that providers and others gain perspective on their relative performance.

The initial phase of Accelerator Data's work has resulted in development of three key vehicles for ongoing collaboration in streamlining human service data:

> *Performance Measures* – collaborative efforts to establish agreed upon key outcomes for leading human services subsectors to standardize performance management and facilitate understanding of how an organization is doing compared to its peers

> *Financial Measures* – an IT-based tool to promote nonprofits' understanding of fiscal health by establishing agreed upon key indicators for organizations to perform enterprise-level fiscal health analysis and calculate program costs

> *Document Vault* – a virtual document repository to reduce nonprofits' administrative burden by allowing them to store key institutional documents in an online repository and make them available to any of their public and private funders.

Approach and Methodology

Throughout 2010, the Accelerator Data steering committee established core goals for the initiative, investigated other similar and analogous efforts to use common metrics, and developed more familiarity with technology advancements. The initiative was introduced to funders and service providers, and feedback was solicited on plans and approach. This initial work led to the initiative to focus on two areas for understanding health and human service performance:

- Program performance and impact
- Organizational financial health

Beginning in March 2011, Accelerator Data partnered with consultants Root Cause and FMA to facilitate work in these two areas.

Performance Measures

In collaboration with Root Cause, Accelerator Data launched the effort to develop methodology for identifying and defining key performance measures NYC's Health and Human Services Sector. Root Cause also tested this methodology in three pilot subsectors based on funding stream composition, the presence of existing management data, control of systems of record, and dialogue between providers and NYC agencies. Pilot subsectors were:

- Workforce development
- Senior services
- Criminal justice involved adults

Root Cause's methodology to develop key performance measures included the following process.

1) Review of academic and subsector publications and government documents as well as interviews with academic, government, and provider experts.
2) Design, distribution, collection and analysis of two surveys completed by service providers in each subsector. Survey response data, in conjunction with desk research, was used to develop draft taxonomies for each subsector.
3) Gathering of feedback on draft taxonomies through three consecutive working groups per subsector, including providers, agencies, funders, and research institutions convened by the Accelerator Data team.

Root Cause received feedback to finalize the taxonomy of indicators for each of the three subsectors, including definitions and antecedent terms as well as filters to ensure accurate comparisons in benchmarking. In each subsector, Root Cause employed this methodology as well as collaborated with City initiatives with similar goals.

Workforce Development
In the workforce development subsector, Root Cause worked with the New York City Workforce Development Cabinet, a working group comprising several City Agencies that fund workforce development programs. The Workforce Development Cabinet has been working to standardize their respective definitions for common indicators to reduce the reporting burden on the providers and to more easily analyze the services being funded. Root Cause focused its work on developing definitions for four key indicators currently in the process of being standardized by city agencies in the Cabinet as well as for three new indicators that the Cabinet was interested in defining in the future:

- Job Placements
- Average wage
- Training and skills development
- Job retention rates

- Work Readiness (new)
- Job quality (new)
- Job advancement (new)

See Appendix A for draft Workforce Development measures developed in pilot phase. Accelerator Data is currently refining and finalizing the draft measures.

<u>Senior Services</u>
For the senior services subsector, Root Cause also collaborated closely with NYC Department for the Aging (DFTA), specifically around their Innovative Senior Centers, as they were in the process of developing a new database allowing providers to submit their reporting data online to the agency, as well as to produce reports for their own internal use. This collaboration ensured alignment between DFTA and Accelerator Data taxonomies. Root Cause identified and defined two outcome indicators that are useful to senior services providers and meet the needs of the oversight agency:

- Improved Nutrition
- Increased Social Connections

Research also established that it is necessary to define each one of the above indicators separately for home-bound clients and for center-based clients. As a result, four separate definitions were created. Since the draft measures were completed, DFTA has continued the work that was started during this pilot phase and has fully developed a complete set of performance measures for each of its programs. They are incorporating these measures into a case management system to be launched over the next year.

See Appendix B for draft Senior Services measures developed in pilot phase.

<u>Criminal Justice Involved Adults</u>
Root Cause learned that prior to their research, little work had been done to develop common metrics in the field of criminal justice. The Alternatives to Incarceration (ATI)/Re-entry Coalition is one of the first efforts designed to make its members' work more understandable to the funding community. For this reason, Root Cause, with input from the Accelerator Data team, NYC agencies, and providers narrowed the scope of work in this field and focused on defining common indicators for ATI. The NYC Department of Probation (DOP), NYC Department of Corrections (DOC), and Office of the Criminal Justice Coordinator (CJC) were engaged throughout the process due to their expertise and active role in this subsector. Through stakeholder engagement, Root Cause defined the following seven indicators:

- Number of individuals interviewed
- Number of individuals eligible for ATI
- Number of individuals enrolled in ATI
- Number of successful completions
- Number of unsuccessful completions
- Number of successful ATI sentences
- Recidivism

See Appendix C for draft Criminal Justice Involved Adults measures developed in pilot phase. Accelerator Data is currently refining and analyzing the draft measures.

Financial Measures

In collaboration with FMA, Accelerator Data worked to identify key performance metrics to understand and measure organizational financial health. FMA drafted an enterprise-level dashboard of key financial indicators critical to monitoring organizational financial health and applicable across a wide range of nonprofit subsectors.

FMA proposed an organizational financial health dashboard consisting of 15 essential metrics presented as a set of graphs with supporting definitions and guidelines for interpretation. FMA split financial metrics into two categories, as noted below: (A) those that represent basic information reflecting and organization's financial health and should be accessible to other organizations and stakeholders, and (B) those that represent information relevant to an organization's internal management and should be made publically available only in the aggregate for sector trends analysis. FMA also recommended that for most relevant benchmarking, providers should be able to customize financial metrics reports by geography, budget size, program area, and funding source concentration (public, private, etc.). Key metrics include the following:

- Operating Margin Including and Excluding Depreciation (A)
- Total Revenue and Support (A)
- Unrestricted Revenue Composition (A)
- Board Giving Rate (A)
- Major Expense Categories as Percent Total Expenses (B)
- Months Cash on Hand (B)
- Months Working Capital (A)
- Current Ratio (A)
- Debt to Net Assets (A)
- Net Asset Balances (A)
- Line of Credit Reporting (A)
- Months Liquid Unrestricted Net Assets (B)
- Current Asset Composition (B)
- Accumulated Depreciation as % Net Assets (B)

FMA also submitted a recommended methodology for estimating the cost of program delivery. FMA developed this methodology by incorporating best practices in the field and through feedback from external stakeholders. The methodology includes the following steps:

- Define programs
- Identify and calculate expense items
- Attribute specific program expenses to appropriate programs

- Allocate common expenses shared by programs and administrative functions
- Allocate management and general expenses to program
- Use knowledge of full cost of program to negotiate pricing for service delivery and make informed decisions for fiscal health

See Appendix D for draft financial measures developed in pilot phase.

Next Steps

Having completed a rigorous development phase and determined a permanent home and platform, Accelerator Data is poised to implement tools and processes to help nonprofits better understand and utilize their organization's data.

The next phase of Accelerator Data includes four key components:
- Financial Reports for Nonprofits
- New Performance Measures Definitions
- Alignment with HHS Accelerator
- Collaborative Community Stakeholder Development

Financial Reports for Nonprofits

Starting in Spring 2013, Accelerator Data will launch the initial phase of financial health reporting for providers to evaluate their organization's fiscal health in comparison to sector averages. Aggregate financial reports of NYC client and community service providers will be published on the Accelerator Data webpage. Organization names will not be published on the website, only averages. Providers will be able to request a customized report for their own organization to see how they are performing in relation to their peer group.

The initial launch will include 4 of the 15 key fiscal health metrics identified by FMA:

1. **Debt to Net Asset** – provides a snapshot of organization's assets and liabilities.
2. **Net Asset Balances** – reflects an organization's net worth to help management measure its ability to reinvest profits towards its mission.
3. **Major Expense Categories as Percent of Total Expenses** – shows overview of an organization's spending activity.
4. **Current Asset Composition** – provides an internal management view to measure liquidity and cash flow.

Accelerator Data will start with these 4 metrics, provider feedback on report efficacy and impact will be analyzed and the nonprofit sector will be engaged to refine and expand development of reports. These 4 metrics were selected particularly because each data point comprising the formulas is derived from the Form 990. Using source data from a custom extract of the 990 Data from the IRS, the reports can be produced without requiring new data entry from providers (a central project principle).

New Performance Measures Definitions

Based on methodology established by Root Cause, Accelerator Data is currently identifying key performance measures for Shelter Services. These services are defined as temporary housing provided to clients in need of emergency transitional shelter having been displaced from their homes. Expansion to additional subsectors will benefit from iterative process refinement. To support this effort and ensure maximum stakeholder involvement, Accelerator Data will identify two policy co-chairs – one from a City Agency and the other from the nonprofit sector – to lead participants in development of performance measures. While the Accelerator Data central team will still manage the administrative function of identifying and convening stakeholders and monitoring project progress, the co-chairs will provide essential feedback and guidance to help draft surveys, create agenda for workgroup meetings, and develop performance measures definitions. By bringing key policy leaders into the discussion, Accelerator Data ensures continued stakeholder participation, accountability, and practical institutionalization of future measures.

Alignment with HHS Accelerator

The HHS Accelerator initiative, launched by Mayor Michael R. Bloomberg and led by the Deputy Mayor for Health and Human Services Linda I. Gibbs, is reengineering, simplifying and speeding the procurement process for City agencies and client and community service organizations. Improvement of the procurement process is achieved by implementing a series of policy reforms, restructuring of rules and regulations, centralizing portions of procurement oversight, and building a web-based system to support these reforms.

HHS Accelerator is dedicated to supporting the nonprofit sector by improving business relationships with the NYC Agencies they contract with to provide client and community services. The central HHS Accelerator provider portal (www.nyc.gov/hhsaccelerator) will serve as the landing page to access information on initiatives that support the sector, including Accelerator Data, where providers can currently access financial reports and project updates.

HHS Accelerator comprises the following components:

- *Document Vault: a secure online repository for providers to store and share administrative documents (launched February 2013)*
- *Prequalification Application: a questionnaire requesting basic information and institutional documents relating to organizational capacity, compliance with filings regulations and experience delivering relevant services in order to prequalify to compete for NYC client and community services contracts(launched February 2013)*
- *Procurement: a centralized system for providers to learn about upcoming NYC client and community services procurements, receive RFPs and submit proposals, view award selection results and submit additional documents required upon award selection (anticipated launch Q4 2013)*
- *Financials: a financial management module that allows providers to manage budgets, invoices and payments for NYC client and community services contracts (anticipated launch Q4 2013)*

HHS Accelerator reflects a number of Accelerator Data's related principles and presents numerous new opportunities to support the nonprofit sector.

First, terminology used to define human services and related outcomes has been standardized. The foundation of the HHS Accelerator web-based application is the New York City Client and Community Services Catalog (CCS Catalog), a glossary that lists and defines the myriad services provided by the human services sector across NYC. The City Agencies that procure client and community services have agreed to all terms and definitions published in this standardized classification system. The CCS Catalog is linked to all HHS Accelerator system functions, including provider profiles, the NYC Procurement Roadmap (list of all upcoming and current NYC CCS procurements) and registered contracts.

With the development of the CCS Catalog, the City of New York has a unique opportunity to develop standard performance measures for each service area in the glossary. As HHS Accelerator develops the Procurement and Financials Roadmaps, additional subsectors for performance measures will be identified based on upcoming procurements. Measures can be incorporated into new City contracts, with standard metric definitions allowing for meaningful comparison of performance in "an apples-to-apples" way.   Organizations can benchmark themselves against peers, learn from high performers, and attract funding based on the quality of their services. Common definitions of key results also can reduce the overall reporting burden for service providers.   Instead of responding to unique demands of individual contracts with slight variations in their performance definitions, organizations would be able to track and report their results consistently across funding streams.

Second, by IT enabling the procurement process for client and community services in a central portal, HHS Accelerator offers a unique opportunity for sector-based analysis that can help providers understand not only their business relationship with the City but also relative performance and the service delivery landscape in NYC. This aligns with Accelerator Data's guiding principle to use information providers report to the City to offer them meaningful reports in return. Data from the prequalification application can be aggregated to identify shifting performance realities and challenges for organizations in areas such as board governance, internal controls and policy, and corporate filing practices. Since the central portal will also be leveraged to enable management of budgeting, invoicing and payments, aggregate data can be immensely helpful to leaders and finance executives both in nonprofits and City Agencies. Not only will IT enablement bring greater accuracy, transparency and speed to finance management it will also allow nonprofit leaders to execute multi-year analyses. Prospective forecasting and forensic auditing will help leaders make critical and well informed decisions about programs, costs and operations. In turn, the City can aggregate nuanced nonprofit data across multiple Agencies to examine policy impacts on fiscal health in new ways, and support engagement of state, federal and philanthropic partners.

Finally, the opportunity also exists to leverage the IT infrastructure in order to provide the sector with maximally useful reports. While the conceptual framework and collaborative cross-sector conversation continue to build, HHS Accelerator will develop IT strategy for user interface and delivery of reports. The IT strategy will leverage data and functionality of HHS Accelerator system where possible. Opportunities are limitless and bound only by technological capacity which can be periodically enhanced to meet emerging sector and City needs.

Collaborative Community Stakeholder Development

The key to the success of Accelerator Data is continued cross-sector collaboration and engagement of stakeholders, including representatives from the nonprofit sector and private and public funders.

Continued development of HHS Accelerator Data will be led by Deputy Mayor Gibbs, managed by the Management Innovation Team. This work will be governed by the Strengthening Nonprofits (SNP) Task Force, Human Services Council Business Solutions (HSC) Workgroup, and the HHS Accelerator Executive Steering Committee. The Business Solutions Workgroup will lead the effort to identify and ensure full participation of nonprofit stakeholders. The Management Innovation Team will continue to facilitate cross sector communication and participation by senior fiscal and program staff from City Agencies.

This partnership will allow the initiative to achieve its ultimate goals to help reduce administrative burden, provide meaningful metrics and reporting, and improve the delivery of client and community based services.

Appendix A: DRAFT - Workforce Development Performance Measures

Workforce Development Performance Indicators

Indicator 1: Job Placements

| **Definition:** A count of placements into unsubsidized jobs that meet the following criteria:

• Direct and indirect placement into jobs
• Pay the legal industry minimum wage[1]
• Part-time jobs that equal 20 hours/week or the equivalent of 20 hours/week x minimum legal, industry hourly wage[2]
• Full-time jobs that equal 35 or more hours/week
• Client able to show proof of placement.

Antecedent Terms:

• Subsidized: Wage subsidized by government
• Proof of placement: Evidence of paystub, employer letter, or other proof of payment to establish that client is enrolled on an employer's payroll. [3]
Antecedent Terms to be defined:

• Direct placement
• Indirect placement |
| **Notes:**

[1] Self-employment or for fee-for-service activities that pay below minimum wage cannot be counted toward an eligible job placement.
[2] The definition for an equivalent standard defines instances where a client may work fewer than 20 hours per week, but has average weekly earnings minimally equivalent to a client that works 20 hours per week at minimum wage. For instance, assuming the minimum wage is $7.25 per hour, if a client on average, works 10 hours per week at $14.50, this client's job should be counted as a "part-time" placement. The client's total average earnings are equivalent to working 20 hours/week at the legal, hourly minimum wage.
[3] Providers indicated that burden of providing proof of payment should not just be placed solely on the client; an employer could also provide evidence of employment. In the future, providers may also have opportunities to access wage information through city databases. |
| **Indicator 2: Wage Level** |
| **Average Wage:** Total of weekly or hourly wages for participants at time of job placements divided by the total number of participants placed. [1,2]

• For jobs with hours that vary week to week, provide an average wage across [X] weeks[3]

Median Wage: *To be defined* [4] |
| **Notes:**

[1] Many providers thought that knowing hourly wage was preferable to knowing weekly wage.
[2] This indicator will automatically calculate average wage based on information entered into "Job Placement" indicator category. |

[3] No agreement on number of weeks for jobs with varying hours.
[4] Providers indicated that large organizations, such as those serving an average of 50,000 or more people, may find median wage to be a more accurate representation of wage.

Indicator 3: Job Retention Rate

Definition: The count of participants who are employed at each of following milestones [30, 90, 180, and 365 days] in any job divided by the total number of participants placed.[1]

Antecedent Terms:

- Participant/Client: Used interchangeably, a participant or client is any individual who has completed an intake form and has started to receive a service. [2, 3]
- Enrolled: Any individual who is eligible for and has started receiving services from the organization[4, 5, 6]
- Job: Job must meet the criteria defined by the "job placements" indicator.

Notes:

[1] The timeframe used to establish the denominator of "total number of participants placed" needs to be defined.

[2] Providers discussed whether or not to include the qualifier, "and has started to receive a service" since many private funders do not include this language. No agreement reached.

[3] Organizations vary in their selectiveness used to screen applicants. Depending on their mission, some organizations have an open-door policy, serving thousands of people per year while other organizations may have higher enrollment standards, accepting only applicants that meet specific qualifications. These policies affect the magnitude of client placements or enrollments reported, impacting the denominator used to measure job retention rate. Understanding an organization's level of selectiveness is critical, because it reflects how organizations allocate their staffing and financial resources. Providers suggested that filters might be established to understand the effort and resources used in 1) outreach; 2) recruiting; 3) intake/application; 4) assessment; 5) enrollment. These filters would allow organizations to compare the level of rigor used at each step. For instance, it would be helpful to identify organizations that spent two hours with a client on the intake process versus an organization that spent 10 minutes to review an application and accept a client. Providers also noted that filters based on a program's service population are critical in evaluating the level of resources required.

[4] Providers indicated that in youth programs, there may be a difference between the use of "enrolled" and "engaged."

[5] No agreement reached on whether "qualifying" should be inserted before "services from the organization."

[6] Providers discussed whether or not there should be a "pre-enrollment" category that could be used to define a person who is in between the "participant/client" and the "enrolled" stage.

Indicator 4: Occupational Skills Development

Definition: Total number of unduplicated participants served in workforce programs who have:

a) Completed the curriculum AND

b) Demonstrated proof of skills acquisition OR

c) Obtained an industry credential

Antecedent Terms:

- "Proof of skills acquisition" is defined by industry standards[1]
- "Completed" is defined by the organization

Notes:

[1] Providers noted that since "proof of skills acquisition" should be focus on the increase in occupation skills, as opposed to work- readiness skills, these skills should be defined by industry standards versus the organization. Using these industry standards is especially important if provider data will be benchmarked at an aggregate level. Also, due to the varying level of resources required for training in each specific industry, "proof of skills" should be segmented by industry. Work-readiness skills relating to work behaviors, developing resume, etc. should be defined by the organization, although some minimal criteria might be established.

Indicator 5: Work Readiness

Definition: Participant is document-ready and able to work immediately AND

a) Completed Work Readiness training OR

b) Demonstrates basic work behaviors

Antecedent Terms:
- Document-ready: Clients must be able to provide documents that verify they are legally eligible for employment (i.e. they should be able to complete the I-9 form).[1]
- Able to Work: Client is physically able to work and has addressed barriers such as transportation, child-care, etc.
- "Work Readiness training" is defined by the organization[2]
- "Work behavior" is defined by the organization (e.g. punctual, cooperates with others)

Antecedent Terms to be defined:

- Document-ready

Notes:

[1] This antecedent term was not explicitly defined by providers, but Root Cause has proposed a draft definition.

[2] Although defined by the organization, some minimal criteria might be established.

Indicator 6: Job Quality

Indicator: Job Quality

Definition: No agreed upon definition; criteria should focus on:

- Living versus minimum wage
- Availability of benefits- health insurance and paid-leave are most important.

Indicator 7: Job Advancement

Definition: No agreed upon definition; criteria should focus on:

- Increased wages
- Increased responsibility
- Providers should only be required to track indicator within 365 day timeframe.

Antecedent Terms:

- Wages: Wages due to external factors such as union policy should also be included
- "Increased responsibility" refers to promotions, title changes, or additional responsibility as reported by the participant.

Workforce Development Filters		
Filter	**Proposed categories**	
Age group	• 14-17 • 18-24 • 25+	
Gender	• Male	• Female
Ethnicity	• Hispanic	• Non-Hispanic
Race	• American Indian and Alaska Native • Asian • Black or African American	• Native Hawaiian and Other Pacific Islander • White • Other race
Geography	• By zip code • By borough	• By community district
Income level	• At or below 100% FPL • Above 100% but at or below 125% FPL	• Above 125% but at or below 150% FPL • Above 150% but at or below 200% FPL • Above 200% FPL
Benefits received	• Medicaid • Medicare • Social security • Pension	• Food stamps • SSI/SSD • Unemployment • Other
Education level	• No high school diploma or GED • High school diploma or GED • Some college	• 4-year college degree • Post-secondary degree
Population Characteristics	• Youth • Disconnected (youth) • Criminal justice-involved • Homeless	• Disabled • Economically disadvantaged • Immigrant • Refugee
Participant Screening	• Selective • Moderately Selective • Non-Selective	

Appendix B – DRAFT Senior Services Performance Measures

Service Area:	Nutritional Support and Meals	
Outcome Indicator 1-A: Improved nutrition - Home delivered meal recipients		
Measured by	**Survey questions to be used in collecting the data:**	**Answer options**
Unduplicated number of meal recipients reporting that the home delivered meal program helps them achieve a higher percentage of DRI (Dietary Reference Intakes)*	1.1 How many servings of fruit do you eat per day? (A serving would equal one medium apple)	a) 0 d) 3 or more b) 1 e) I can't eat this type of c) 2 food
	1.2 How many servings of vegetables do you eat per day? (A serving would equal a handful of broccoli, or a cup of carrots)	a) 0 d) 3 or more b) 1 e) I can't eat this type of c) 2 food
	1.3 How many servings of whole or enriched bread, cereal, rice, pasta, noodles, or tortillas do you eat per day?(A serving would equal one slice of bread, one cup of cereal, or ½ cup of cooked rice)	a) 0 b) 1 e) 4 c) 2 f) 5 d) 3 g) 6 or more h) I can't eat this type of food
	1.4 How many servings of milk, cheese, yogurt, or calcium rich soy products do you eat per day? (A serving would equal one cup of milk, one cup of yogurt, or 2 oz. of cheese)	a) 0 d) 3 or more b) 1 e) I can't eat this type of c) 2 food
	1.5 How many servings of high protein food do you eat per day, such as meat, poultry, tofu, fish, beans, peas, eggs, or nuts? (A serving would equal ½ cup of cooked beans, or 3 oz. of fish, meat, or chicken)	a) 0 d) 3 or more b) 1 e) I can't eat this type of c) 2 food
	1.6 Do you have any diet restrictions?	a) Yes b) No
	2.1 If you were not participating in this meal program, would you have other options for getting enough food daily?	a) Yes b) No
	2.2 If you answered yes to the previous question, please list the other options that you have for getting enough food	a) Family b) Friends c) Fast food d) Other (please list)_____

	daily:	

Note: The purpose of Questions 1.1-1.6 is to assess the quality of nutrition and the meal recipient's DRI. These questions were added to the definition during the final working group, further work is necessary to determine the calculation that would link the data from the questions' responses to the indicator. NYC DFTA will work to finalize the work around the associated calculations in future working groups that they are convening as part of their new database project. The calculation will be shared with HSData.

Question 2.2 was added as a control question to ensure that survey participants, who answer "yes" to question 2.1, have another source for adequate nutrition.

*Please note that this indicator should not be compared across home delivered meals and congregate meals. The percent of meal recipients who achieve higher DRI through the senior center meals may be smaller than the percent who achieve higher DRI through home delivered meals. Senior center meal participants are typically more mobile have more options, and therefore are less consistent in using the meal service.

Antecedent Terms:

1. **Dietary Reference Intakes (DRI)**—A set of nutrient-based reference values that expand upon and replace the former Recommended Dietary Allowances (RDAs) and are based on scientifically grounded relationships between nutrient intakes and indicators of adequacy, as well as the prevention of chronic diseases
2. **Meal recipient** - Anyone who currently receives home-delivered meal services

Service Area:	Nutritional Support and Meals	
Outcome Indicator 1-B:	**Improved nutrition - Senior center meal participants**	
Measured by	**Survey questions to be used in collecting the data:**	**Answer options**
Unduplicated number of participants reporting that the congregate meal program helps them achieve a higher percentage of DRI (Dietary Reference Intake)*	1.1 How many servings of fruit do you eat per day? (A serving would equal one medium apple)	f) 0 i) 3 or more g) 1 j) I can't eat this type of h) 2 food
	1.2 How many servings of vegetables do you eat per day? (A serving would equal a handful of broccoli, or a cup of carrots)	f) 0 i) 3 or more g) 1 j) I can't eat this type of h) 2 food
	1.3 How many servings of whole or enriched bread, cereal, rice, pasta, noodles, or tortillas do you eat per day?	i) 0 m) 4 j) 1 n) 5 k) 2 o) 6 or more l) 3 p) I can't eat this type of food
	1.4 How many servings of milk, cheese, yogurt, or calcium rich soy products do	f) 0 i) 3 or more g) 1 j) I can't eat this type of h) 2 food

	you eat per day?	
	1.5 How many servings of high protein food do you eat per day, such as meat, poultry, tofu, fish, beans, peas, eggs, or nuts?	f) 0 i) 3 or more g) 1 j) I can't eat this type of h) 2 food
	1.6 Do you have any diet restrictions?	c) Yes d) No
	2.1 If you were not participating in this meal program, would you have other options for getting enough food daily?	c) Yes d) No
	2.2 If you answered yes to the previous question, please list the other options that you have for getting enough food daily:	e) Family f) Friends g) Fast food h) Other (please list)_____

Note: The purpose of Questions 1.1-1.6 is to assess the quality of nutrition and the meal participant's DRI. These questions were added to the definition during the final working group, further work is necessary to determine the calculation that would link the data from the questions' responses to the indicator. NYC DFTA will work to finalize the work around the associated calculations in future working groups that they are convening as part of their new database project. The calculation will be shared with HSData.

Question 2.2 was added as a control question to ensure that survey participants, who answer "yes" to question 2.1, have another source for adequate nutrition.

*Please note that this indicator should not be compared across home delivered meals and congregate meals. The percent of meal recipients who achieve higher DRI through the senior center meals may be smaller than the percent who achieve higher DRI through home delivered meals. Senior center meal participants are typically more mobile have more options, and therefore are less consistent in using the meal service.

Antecedent Terms:

1. **Dietary Reference Intakes (DRI)**—A set of nutrient-based reference values that expand upon and replace the former Recommended Dietary Allowances (RDAs) and are based on scientifically grounded relationships between nutrient intakes and indicators of adequacy, as well as the prevention of chronic diseases
2. **Participant** - Anyone who currently receives(participates in) congregate meal services at a senior center

Service Area:	Overarching indicator across all service areas	
Outcome Indicator 2-A:	Increased social connections – Home delivered meal recipients	
Measured by	Survey questions to be used in collecting the data:	Answer options

Unduplicated number of meal recipients reporting that the home-delivered meal is an important source of social interaction	1. How many days a week do you receive a delivery from the home delivered meals program)?*	a) 1 e) 5 b) 2 f) 6 c) 3 d) 4
	2. On the days that you receive meal delivery, is the contact with the meal delivery person your primary source of face-to-face social interaction?	a) Yes b) No
	3. Is it important to you to have this interaction?	a) Yes b) No

Note: "The meal recipients reporting that the … meal is an important source of social interaction" are the people who made the following selection:

Question 2, choice a) AND/OR

Question 3, choice a)

*Question 1 does not directly determine the calculation, but it is used to set the logic of the questions that follow and to provide additional background.

Antecedent Terms:

1. **Meal recipient** - Anyone who currently receives home-delivered meal services

Outcome Indicator 2-B:	Increased social connections – Senior center participants	
Measured by	**Survey questions to be used in collecting the data:**	**Answer options**
Unduplicated number of participants reporting that the senior center is an important source of social connection	1. Is this senior center <u>an important source</u> of in-person social connection to you?	a) Yes b) No
	2. Is this senior center <u>the most important source</u> of in-person social connection?	a) Yes b) No
	3. Do you connect with other people outside of this center?	a) Yes b) No
	4. On average, how many days per week do you come to this center?*	a) 1 d) 4 b) 2 e) 5 c) 3 f) 6
	5. Do you go to other senior centers? **	a) Yes b) No
	6. If you answer yes to the previous question, how many days per week do you go to other centers? **	a) 1 d) 4 b) 2 e) 5 c) 3 f) 6

Note: The "participants reporting that the senior center is an important source of social connection" are the people who made the following selection:

Question 1, choice a), AND/OR

Question 2, choice a), AND/OR

Question 3 choice b)

The people who answer b), c), d), e), or f) to the fourth question, regardless of their answers to the previous 3 questions should be included in the count.

*Question 4 is a control question to make sure that people who may answer "no" to the first 2 questions, or "yes" to the 3rd question, but come 3+ times a week are still included in the count. The data for this question may be collected not through the survey but through attendance sheets or "card swipes" in the new database.

** Questions 5 and 6 are control questions to verify if senior centers are important sources of social connection on a system level. These questions will capture people who may answer "no" to the first 2 questions, or "yes" on the third one, AND come less than 3 times a week to this center, but go to other centers 3+ times, which would indicate that senior centers are important source for social connection to them.

Antecedent Terms:

1. **Participant** - Anyone who currently receives(participates in) senior center services
2. **Social connection** – In this context, social connection refers to the act of being among people

Senior Services Filters	
Filter	**Proposed categories**
Age group	60-74 75-84 85+
Ethnicity	- Hispanic - Non-Hispanic
Race	- American Indian and Alaska Native - Asian - Black or African American - Native Hawaiian and Other Pacific Islander - White - Other race
Geography	- By zip code - By borough - By community district
Income level	- At or below 100% FPL - Above 100% but at or below 125% FPL - Above 125% but at or below 150% FPL - Above 150% but at or below 200% FPL - Above 200% FPL
Benefits received	**Medicaid** **Food stamps**

	Medicare	**SSI/SSD**
	Social security	**Other**
	Pension	
Education level	**No high school diploma or GED**	**4-year college degree**
		Post-secondary degree
	High school diploma or GED	
	Some college	
Disabled	**Physical impairment**	**Chronic disease**
	Cognitive impairment	
	Mental illness	
Living situation (living alone or with others)	**Living alone**	**Living with others – non-related**
	Living with others – related	
Building type (for home-bound persons)	**Elevator building**	**Non-elevator building**
Employment status	**Employed full time**	**Actively looking for work**
	Employed part-time	**Unable to work**
	Retired	
Length of time on the service (for home-bound meal recipients, total number of years the person has been on the service*)	**0-5 years**	***Determined by when they were first assessed and put on service**
	6-10 years	
	More than 10	
Length of time* on service (for senior center participants)	**0-5 years**	***Determined by when the person first started coming to the senior center**
	5-10 years	
	10+ years	

Appendix C – DRAFT Criminal Justice Involved Adults Performance Measures

Service Area:	Alternatives to Incarceration (ATI)		
Indicator #1:	**Definition:**		**Rate Calculation:**
Number of individuals interviewed[1]	Number of individuals interviewed to determine if they are eligible candidates for ATI program		N/A

Antecedent Terms:

- Eligible:[2]
    - Incarceration-bound without ATI, for the required length of time
    - The program has made a determination that the individual is suitable for the program's services

Notes:

[1] "Number of individuals interviewed" is a surrogate indicator that shows that an attorney has consented. The "number of people screened" was discussed as a potential indicator referring to the part of the intake process preceding interviewing, and it was eliminated because it is not meaningful for benchmarking. "Screened" can mean anything from scanning the court calendar, to doing initial assessment and selecting the people who are eligible on paper.

[2] The providers pointed out that "eligibility" needs to be studied and further understood. There was a strong recommendation that the city perform a baseline study to determine indicators for incarceration-bound, similar to a study done by CJA in 2003. This study would have to be updated frequently because the criteria determining incarceration-bound population changes by borough and overtime.

Indicator #2:	**Definition:**		**Rate Calculation:**
Number of individuals eligible for ATI	Number of individuals interviewed by the program AND found eligible for ATI and the defendant is interested and willing to engage		Number of individuals found eligible for ATI/Number of individuals interviewed

Antecedent Terms:

- Eligible:[1]
    - Incarceration-bound without ATI, for the required length of time
    - The program has made a determination that the individual is suitable for the program's services

Notes:

[1] The providers pointed out that "eligibility" needs to be studied and further understood. There was a strong recommendation that the city performs a baseline study to determine indicators for incarceration-bound, similar to a study done by CJA in 2003. This study would have to be updated frequently because the criteria determining incarceration-bound population changes by borough and overtime.

Indicator #3:	Definition:	Rate Calculation:
Number of individuals enrolled in ATI	Number of individuals placed in ATI by court mandate	Number of individuals enrolled in ATI/Number of individuals eligible for ATI

Antecedent Terms:

- Eligible:[1]
  - Incarceration-bound without ATI, for the required length of time
  - The program has made a determination that the individual is suitable for the program's services
- Court mandate: To be defined

Notes:

[1] The providers pointed out that "eligibility" needs to be studied and further understood. There was a strong recommendation that the city performs a baseline study to determine indicators for incarceration-bound, similar to a study done by CJA in 2003. This study would have to be updated frequently because the criteria determining incarceration-bound population changes by borough and overtime.

Indicator #4:	Definition:	Rate Calculation:
Number of successful completions	Number of individuals who complete the ATI program, as defined by the provider, judge, and the D.A. (in mandatory sentencing). This includes: - The individuals who persist in that program for the length of the ATI mandate, AND - Individuals who transfer, with approval from the judge, to another program and persist in the new program for the length of the ATI mandate	Number of successful completions/(Number of individuals enrolled in the ATI program minus the number deceased or physically incapable of attending)

Antecedent Terms:

- Enrolled: the program and the sentencing judge (and sometimes the District Attorney (D.A.)) agree that the person is in the program.

Indicator #5:	Definition:	Rate Calculation:
Number of unsuccessful completions	Number of individuals who terminate early from the program for failure to meet the conditions of the ATI program. Type of unsuccessful completions:(Dropdown menu)[1] a) Unsatisfactory attendance b) Failure to meet program requirements c) Significant re-arrest d) Failure to initially engage in program service[2] e) Never showed[3] f) Other	Number of unsuccessful completions/(Number of individuals enrolled in the ATI program minus the number deceased or physically incapable of attending)

Notes:

[1]Providers pointed out that data for this indicator should always be disaggregated by "type" in order to distinguish between individuals who were unsuccessful because of failure to engage and individuals who were unsuccessful despite having a good dose of the program.

[2]This option only applies to programs 6-months or longer. "Failure to initially engage" refers to attendance failures in the first 30 days of a 6-month or longer program.

[3]The "never showed" category refers to individuals who were assigned and enrolled in an ATI program but never made contact and consequently did not receive any service.

Antecedent Terms:

- Unsatisfactory attendance: defined by each program individually or by the judge
- Failure to meet program requirement: defined by each program individually or by the judge
- Significant re-arrest: Arrest that leads to termination from the program by the judge and/or the program
- Enrolled: The program and the sentencing judge (and sometimes the D.A.) agree that the person is in the program.

Indicator #6:	Definition:	Rate Calculation:
Number of successful ATI sentences	Number of individuals who receive a sentence of no further incarceration or reduced incarceration, as a result of a successful ATI program completion. OR are sentenced before program completion and receive a sentence of no further incarceration or reduced incarceration as a result of successful participation in the ATI program.	Number of successful ATI sentences/Number of individuals who were enrolled AND the ATI program knows the sentences for

Antecedent Terms:

- Reduced incarceration: Reduction over a stated alternative by the judge

Indicator #7:	Definition:	Rate Calculation:
Re-arrest	*To be defined* [1]	*To be defined* [1]

Notes:

[1]During the final working group, providers indicated that separate indicator for arrest should be developed and added to the taxonomy in the future for contextual purposes, not for program evaluation

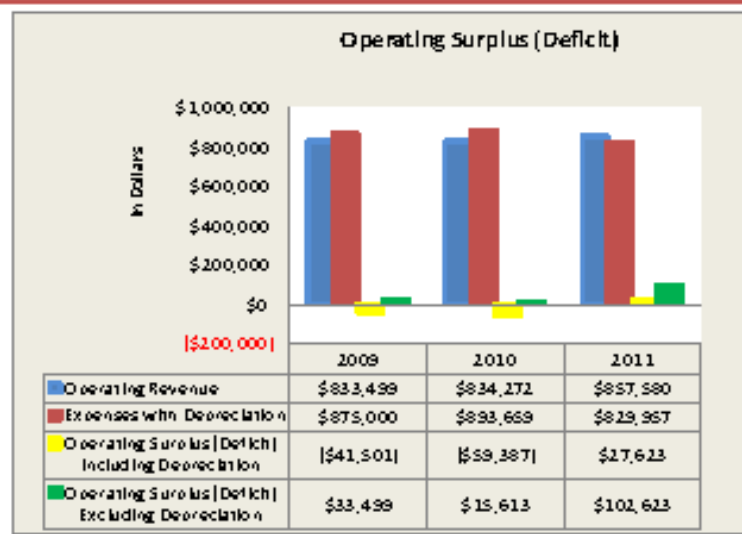| Indicator #8:	Definition:	Rate Calculation:
Recidivism [1]	Number of individuals[2] re-arrested for a new crime within one year of graduating for the ATI program and then convicted, receiving a sentence of incarceration within two years after they graduate the ATI program[3] Type of conviction charge (dropdown menu): a) Misdemeanor b) Felony c) Violent felony	Number of individuals who recidivate (as defined)/ Successful program completions

Notes:

[1]Recidivism data should only be collected on programs that are 6 months or longer
[2]Only those who have completed the program successfully are included in the rate calculation
[3]Both the providers and the representatives of the city agencies agreed with this definition, however it was stated that it is still necessary to figure out how to collect the necessary data. Resources are an issue for all parties involved.

Criminal Justice Involved Adults Filters	
Filter	Proposed categories
Age group at time of intake	• 15 and under (JO) • 18-24 • 16-18 • 25-35 • 16-24 • 36 and over
Gender	• Male • Female
Ethnicity	• Hispanic • Non-Hispanic
Race	• American Indian and Alaska Native • Native Hawaiian and Other Pacific Islander • Asian • White • Black or African American • Other race
Geography	• Zip code of residence • Borough of residence • Community district • Borough of adjudication
Charge	• By class (A, B Felony, A, B Misdemeanor, etc.) • By type of crime (drugs, physically incurious, property, etc.)
Court (where people are coming form)	• Criminal court • Supreme court
Program type (special populations)	• Mental health program • Other specialized program • Drug program • Non-specialized program
Program type (conviction charge)	• Misdemeanor • Felony • Violent felony

Appendix D: DRAFT Financial Measures (Mock-Up Dashboards)

Operating Surplus (Deficit)

	2009	2010	2011
Operating Revenue	$833,499	$834,272	$857,580
Expenses with Depreciation	$875,000	$893,659	$829,957
Operating Surplus (Deficit) Including Depreciation	($41,501)	($59,387)	$27,623
Operating Surplus (Deficit) Excluding Depreciation	$33,499	$15,613	$102,623

Guideline: Year-on-year trends of operating results. Annual operating surpluses increase capacity to make strategic decisions and indicate long term sustainability. Trends should be analyzed to understand whether a change is a result of operating revenue, expenses, or both, in order to focus management on cutting costs or raising additional funds. Additionally, organizations should be sensitive to deficits resulting from inclusion of depreciation, which may indicate that the organization is not covering its full costs of operations over time and is in need of raising additional revenue.

Operating Surplus (Deficit) Including Depreciation =
[Total Unrestricted Revenue (not including Capital Campaign Revenue or Unrealized Losses/Gains)] - Total Expenses

Operating Surplus (Deficit) Excluding Depreciation =
[Total Unrestricted Revenue (not including Capital Campaign Revenue or Unrealized Losses/Gains)] - [Total Expenses - Depreciation]

Discussion:
Operating Surplus (Deficit) is tracked by 87% of provider survey respondents. Focus groups want to see on same chart with Revenue and Expense trends. Agreement w/in focus groups that pension expense is included and unrealized gains/losses are excluded, capital campaign revenue is excluded.
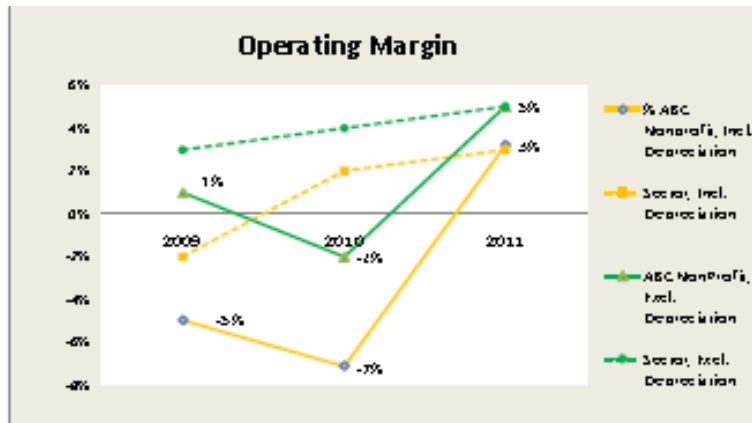
Some components must be entered manually. Divergent opinions in focus groups regarding inclusion of depreciation. Capital Campaign revenue is typically the portion of temporarily restricted revenue released from restriction that is earmarked for the facility - this component needs to be manually calculated from internal documents (i.e., it is not separated out on the Statement of Activities).

Component	Location
Unrestricted Revenue	Statement of Activities
Capital Campaign Revenue	Statement of Activities
Unrealized Gains and Losses	Statement of Activities
Total Expenses	990 Part I: Line 18
Depreciation	990 Part X: Line 10b

Operating Margin

Operating Margin is tracked by 70% of provider survey respondents. Allows for meaningful comparison of Operating Surplus (Deficit) between organizations of different budget sizes.

Survey and focus group results indicate less clarity regarding this measure than with Operating Surplus (Deficit) expressed in dollar amounts. As with Operating Surplus (Deficit), there are divergent opinions regarding the usefulness of including depreciation.

Guideline: The Operating Margin expresses the Operating Surplus (Deficit) as a percentage of Operating Revenue. For most small to mid-sized nonprofits, Operating Margin will be less than 5%. Looked at as a year on year trend, Operating Margin is indicative of how an organization's operating results are changing in relation to incoming revenue. Even when experiencing revenue growth and annual surpluses, organizations should monitor the Operating Margin to facilitate discussion around organizational strategy.
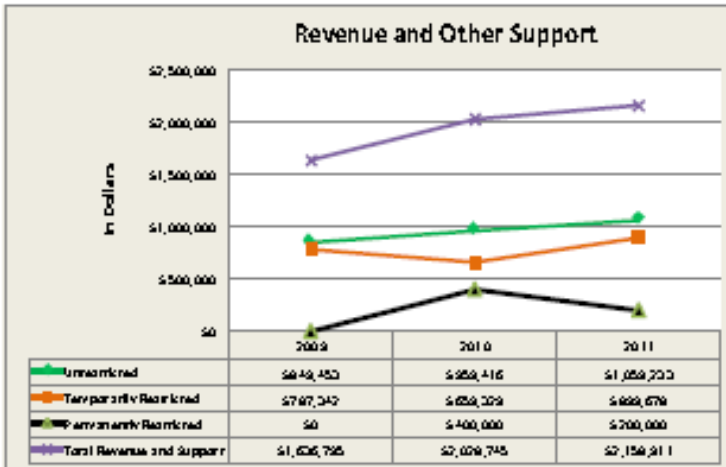
Operating Margin Including Depreciation =
Operating Surplus (Deficit) Including Depreciation*/Operating Revenue*

*(As defined by Operating Surplus (Deficit) metric)

Operating Margin Excluding Depreciation =
Operating Surplus (Deficit) Excluding Depreciation*/Operating Revenue*

*(As defined by Operating Surplus (Deficit) metric)

Component	*Location*
Unrestricted Revenue	Statement of Activities
Capital Campaign Revenue	Statement of Activities
Unrealized Gains and Losses	Statement of Activities
Total Expenses	990 Part I: Line 18
Depreciation	990 Part X: Line 10b

Revenue and Other Support

	2009	2010	2011
Unrestricted	$848,453	$959,416	$1,059,233
Temporarily Restricted	$787,342	$659,329	$899,678
Permanently Restricted	$0	$400,000	$200,000
Total Revenue and Support	$1,636,795	$2,008,745	$2,158,911

Discussion:

82% of provider survey respondents report tracking (though not necessarily by restriction category). Focus Groups confirm the usefulness of tracking revenue by restriction category, and the importance of tracking these trends for the purposes of strategic management.

Focus group discussion highlighted the fact that these trends are not benchmarkable across the sector. It may be important to acknowledge that government revenue, while actually restricted, is usually recorded as unrestricted because it is received in exchange for services provided.

Guideline: Amount of revenue and support earned by restriction category for Years 1 - 3. Increases or decreases in revenue earned may need attention and monitoring by management. Decreases in unrestricted revenue would typically be matched by decreases in operating expense; increases in unrestricted revenue may not necessarily call for increases in operating expense. Changes in temporarily restricted revenue will impact amounts to be raised in subsequent years.

Component	Location
Unrestricted Revenue	Statement of Activities
Temporarily Restricted Revenue	Statement of Activities
Permanently Restricted Revenue	Statement of Activities

Total Revenue and Support =

Unrestricted Revenue + Temporarily Restricted Revenue + Permanently Restricted Revenue

Unrestricted Revenue Composition	2011		2010	
	ABC Nonprofit	Sector	ABC Nonprofit	Sector
Government Funding	66%	79%	69%	83%
Contributed Income	22%	7%	21%	8%
Individuals	7%	1%	8%	3%
Foundations	10%	2%	8%	2%
Corporate	0%	1%	0%	1%
Special Events	5%	2%	5%	2%
Other Contributed	0%	1%	0%	0%
Earned Income	2%	5%	6%	3%
Membership dues	0%	2%	0%	2%
Fee for service	2%	3%	5%	1%
Rental income	0%	0%	0%	0%
Other Earned	0%	0%	1%	0%
Investment Income	5%	6%	2%	4%
In kind Contributions	5%	3%	2%	2%
Total	100%	100%	100%	100%

Guideline: Organizations must plan for changes in revenue composition in addition to revenue growth or decline. Consider risk of revenue concentration when planning for revenue streams. The best mix of revenue streams will depend on an organization's needs and strategy. Revenue strategy may include diversification both within one type of funding category as well as among several categories.

Unrestricted Revenue Composition =
Amount of Revenue from Each Source/Total Revenue

Discussion:

78% of provider survey respondents report that they currently track. Funder focus group and survey results confirm that funders look at this information. Provider focus group results confirm that providers value this information for organizational sustainability purposes.

Provider focus group discussion emphasized that risk is correlated to where the funding is originally from, not the disbursing agency. Consistent classification of sources is crucial for meaningful comparison sector-wide. Divergent opinions regarding the best way to break this measure down. A simple breakdown is available in the 990 or Statement of Activities, but more in-depth breakdown (as shown in the sample graph) would be manual.

Component	Location
Revenue by Source	Audit and Internal Documents
Total Revenue	990 Part 1: Line 12

Months Working Capital and Months Cash on Hand
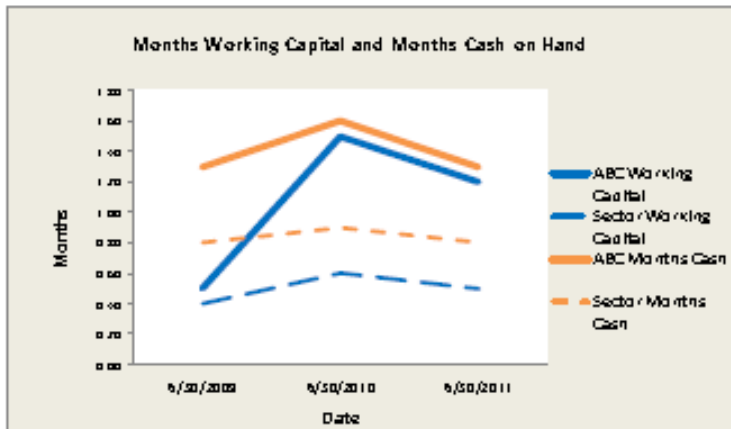
Guidelines: Months Working Capital and Months Cash on Hand are both important measures of liquidity and determining ability to pay current liabilities and make payroll. Months of Working Capital may be a more sophisticated measure of liquidity than Months of Cash because it removes the effects of temporary increases in cash such as lines of credit. Depreciation and other non-cash expenses

Months of Cash on Hand =
End of Year Cash Balance/[(Total Expenses - Depreciation)]/12)

Months of Working Capital on Hand =
(Current Assets - Current Liabilities)/[(Total Expenses - Depreciation)/12]

Discussion:
Months Cash on Hand is well understood. 73.8% of provider survey respondents currently track and 13.8% want to track this metric. Working Capital is a more sophisticated measure of liquidity than cash. 51% of provider survey respondents currently track Mos. Working Capital and 17% want to track it. Expressing both measures in terms of "months on hand" puts the dollar amounts in context of the organization's budget, and makes them comparable across the aggregate.

Both of these measures can greatly vary from month to month. Any one day may be arbitrary, especially for organizations that have cyclic business years. Reporting on the same day each year and looking at long term trends addresses this point. Focus group results indicate that cash on hand needs context in order to be understood. Different opinions on whether restricted cash might be included in this measure. If restricted assets are included, this needs to be noted in the guideline.

Component	Location
End of Year Cash Balance	990 Part X: Line 1B + Line 2B
Current Assets	Statement of Financial Position (Cash and Cash Equivalents + Accounts Receivable + Inventory + Prepaid Expenses)
Current Liabilities	Statement of Financial Position (Current Portion of Notes and Mortgages Payable + Accounts Payable)
Total Expenses	990 Part I: Line 18
Depreciation	990 Part X: Line 10b

Current Ratio

Current Ratio

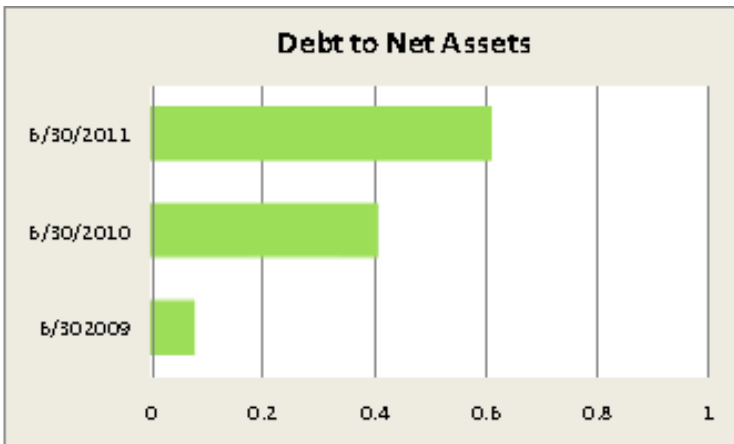|	0	0.2	0.4	0.6	0.8	1	1.2	1.4	1.6
Benchmark									
6/30/2011									
6/30/2010									
6/30/2009									
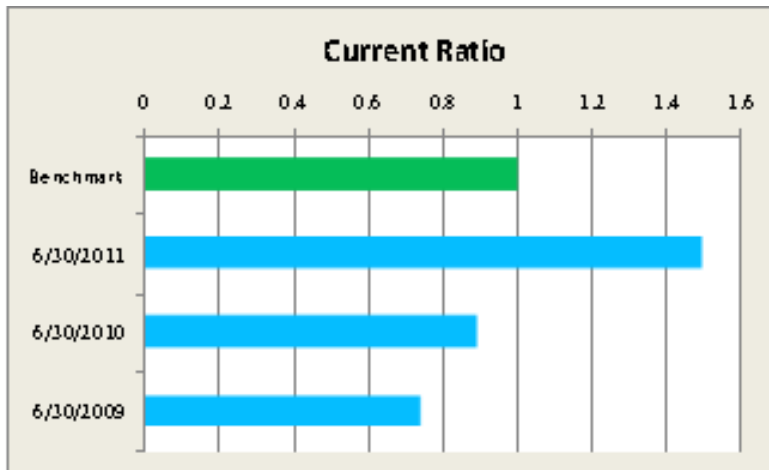
Discussion:
70% of provider survey respondents report tracking or wanting to track Current Ratio (59% and 11% respectively). Current Ratio is a good measure of liquidity.

Current portion of debt must come from the notes to the Audited Financial Statements.

Guideline: The Current Ratio indicates an organization's ability to meet obligations as they come due in the current year. A Current Ratio value of 1.0 is the minimum needed to ensure that current obligations can be met; most financial experts recommend a higher value (around 2.0) for best practice. A ratio of less than 1.0 may indicate that the organization is facing cash flow issues; an unusually high ratio may indicate that the organization is not leveraging assets for programming or strategic initiatives.

Component	*Location*
Current Assets	Statement of Financial Position (Cash and Cash Equivalents + Accounts Receivable + Inventory + Prepaid Expenses)
Current Liabilities	Statement of Financial Position (Current Portion of Notes and Mortgages Payable + Accounts Payable)

Current Ratio =
Current Assets/Current Liabilities (Including Current Portion of Long Term Debt)

Debt to Net Assets

Date	
6/30/2011	(bar ≈ 0.6)
6/30/2010	(bar ≈ 0.4)
6/302009	(bar ≈ 0.07)

Axis: 0   0.2   0.4   0.6   0.8   1

Guideline: Generally accepted rule that debt/net assets ratio should not exceed 1. A high ratio may also indicate an organization is relying too much on borrowed funds and may be having a hard time meeting its obligations.

Debt to Net Assets =
Total Debt/ Total Net Assets

Discussion:
Provider and funder focus groups indicate the importance of this metric, as long as it is made clear that certain types of organizations (housing, healthcare) will look very different from the rest in this measure.

In some organizations, such has CDCs and healthcare providers, high debt is to be expected. Narrow applicability - many NPOs do not carry debt. Only 37% of survey respondents report tracking. 51% Don't Know or Don't Want to Track. Debt to Net Assets was selected over Debt to Assets.

Component	_Location_
Total Debt	990 Part X: Line 23 + Line 24.
Total Net Assets	990 Part X: Line 33

Does your organization currently have a line of credit?
    Yes/No

If you answered no, please explain further:
    Don't need a line of credit
    Had but could not renew
    Tried to access and was unable to get
    Would like to access but have not attempted
    Don't know how to access credit
    Other (Please explain):

Net Asset Balances
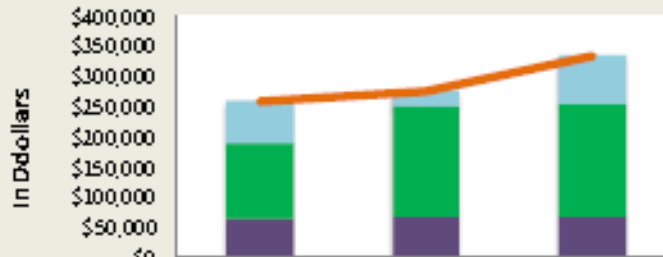
	6/30/2009	6/30/2010	6/30/2011
Temporarily Restricted	$70,000	$25,000	$80,000
Unrestricted	$125,000	$185,000	$190,000
Permanently Restricted	$65,000	$65,500	$65,500
Total Net Assets	$260,000	$275,500	$335,500

Y-axis: In Dollars ($0 to $400,000)

Discussion:
Basic indicator of financial health.

Not comparable across sector.

Guideline: Long-term sustainability and ability to access resources for strategic initiatives rests upon an organization's ability to annually increase the amount of unrestricted reserves within its total net asset balance. Temporarily restricted net assets indicate the amount of resources dedicated to programs in the upcoming years, and permanently restricted net asset balances track changes in endowed funds.

Total Net Assets =

Unrestricted Net Assets + Temporarily Restricted Net Assets + Permanently Restricted Net Assets

Component	Location
Unrestricted Net Assets	990 Part X: Line 27
Temporarily Restricted Net Assets	990 Part X: Line 28
Permanently Restricted Net Assets	990 Part X: Line 29

Board Giving Rate
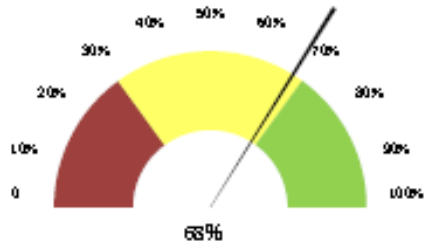
Guideline: A high Board Giving Rate may be correlated with a more engaged board. External stakeholders often view this measure as indicative of a well-governed organization.
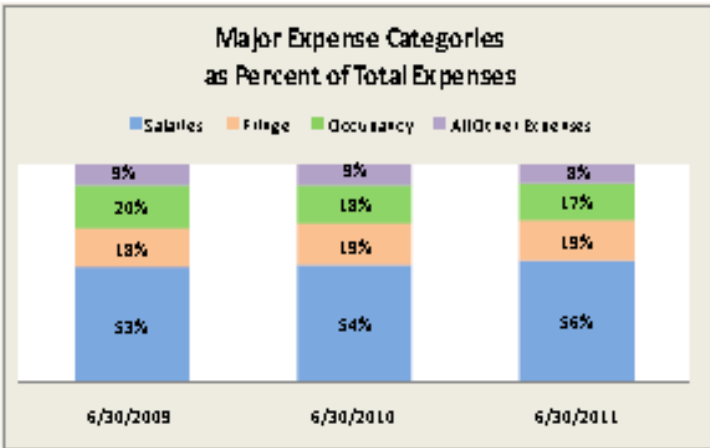
Board Giving Rate =
Board Members Who Give/Total Number Board Members

Discussion:

68.9% provider survey respondents report tracking or wanting to track (55% and 13.9% respectively). Funder survey and focus group results indicate that funders see high Board Giving as being correlated with a well-managed organization.

Divergent opinions in provider focus groups on correlation of the metric with being a well-managed organization.

Component	Location
Board Members Who Give	Internal Organizational Documents
Total Number of Board Members	990 Part VI: Line 1a

Major Expense Categories as Percent of Total Expenses

Legend: Salaries | Fringe | Occupancy | All Other Expenses

Category	6/30/2009	6/30/2010	6/30/2011
All Other Expenses	9%	9%	8%
Occupancy	20%	18%	17%
Fringe	18%	19%	19%
Salaries	53%	54%	56%

Guideline: Explore the business reasons for the variance. Year on year changes in salaries and fringe should be compared to changes in revenue to identify ability to sustain growth in salary increases or additional personnel.

Major Expense Categories as % of Total Expenses =

Salary Expense/Total Expenses

Fringe Expense/Total Expenses

Occupancy Expense/Total Expenses

Discussion:

74% of provider survey respondents currently track % of Expenses that are Personnel-Related, and another 10% want to track. General agreement in provider focus groups of importance of measure.

Focus group results indicate that this measure could be burdensome for small organizations if broken out in more detail than on the 990. Divergent opinions in focus groups regarding the most meaningful level of expense composition.

Component	Location
Salary Expense	990 Part IX: SUM Lines 5A-7A
Fringe Expense	990 Part IX: SUM Lines 8A-9A
Occupancy Expense	990 Part IX: Line 16A
Total Expense	990 Part I: Line 18

Accumulated Depreciation as % of Fixed Assets

Guideline: A high percentage of accumulated depreciation of assets could indicate aging infrastructure and need for funding the replacement or repair of fixed assets in the near future.

Accumulated Depreciation as % of Fixed Assets =

Accumulated Depreciation/Fixed Assets
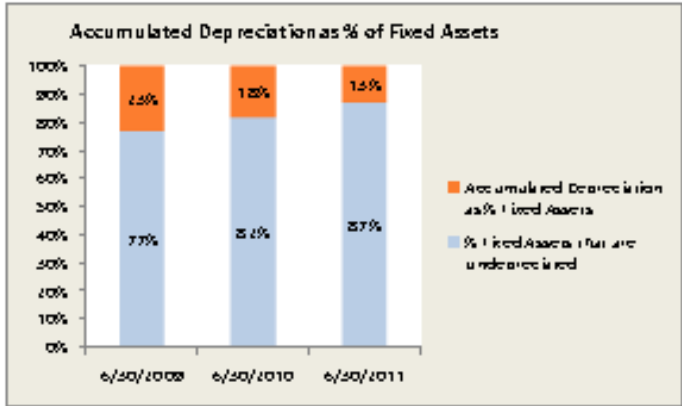
Discussion:
Good management metric.

Fixed assets stated at cost and not fair market value.

Component	Location
Accumulated Depreciation	Part X: Line 10c
Fixed Assets	Part X: Line 10a(B)

Months Liquid Unrestricted Net Assets
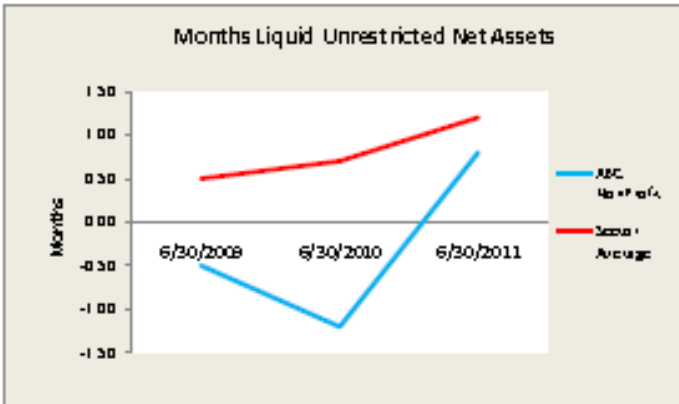
Guideline: Months Liquid Unrestricted Net Assets on Hand is a strong measure of liquidity and of an organization's ability to cover its expenses when waiting for cash to come in. Liquid Unrestricted Net Assets do not include fixed assets. Negative Liquid Unrestricted Net Assets, where Unrestricted Net Asset Balance are positive, indicates a possible inability to meet current obligations due to investment in fixed assets. A portion of Liquid Unrestricted Net Assets may be designated as Operating Reserves by management.
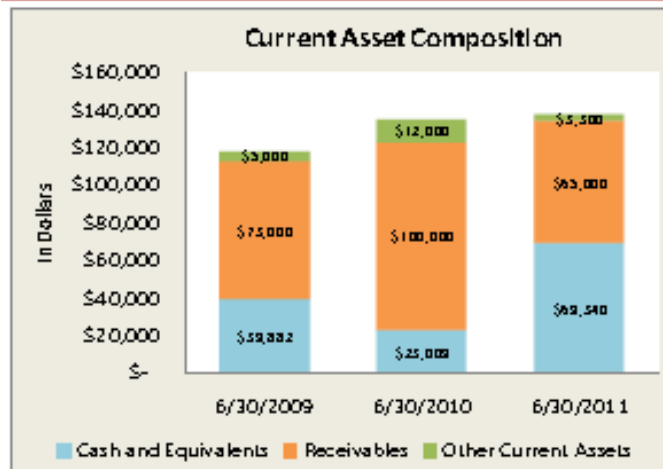
Months of Operating Reserves on Hand =
[Unrestricted Net Assets - (Fixed Assets - Accumulated Depreciation - Mortgages)] / [(Total Expenses - Depreciation Expense)/12]

Discussion:
55% report tracking. Allows liquidity to be more comparable across the sector.

The calculation may not be not readily known across the sector. For many organizations, Liquid Reserves themselves will be negative, therefore they will have negative months of liquid reserves on hand.

Component	Location
Unrestricted Net Assets	990 Part X: Line 27
Fixed Assets Net of Depreciation	990 Part X: Line 10b
Mortgages	990 Part X: Line 23 (MINUS notes payable)
Total Expenses	990 Part I: Line 18
Depreciation Expense	990 Part X: Line 10b

Current Asset Composition

Current Asset Composition

	6/30/2009	6/30/2010	6/30/2011
Other Current Assets	$5,000	$12,000	$5,500
Receivables	$75,000	$100,000	$65,000
Cash and Equivalents	$39,332	$25,000	$69,540

Legend: Cash and Equivalents ■ Receivables ■ Other Current Assets

Guideline: Current assets are any asset that can be converted to cash or that will be used up within one year. Consistently high A/R may indicate that the organization is not collecting amounts due in a timely manner, negatively affecting cash flow. The trend in cash should be viewed in context with trends in receivables.

Current Assets:

Cash and Cash Equivalents Balance = Cash + Temporary Cash Investments

Accounts Receivable Balance = Pledges/Grants Receivable + Accounts Receivable + Current Portion of Notes and Loans Receivable

Other Current Assets Balance = + Inventories + Prepaid Rent

Discussion:

81.5% of provider survey respondents report tracking Asset Composition. Provider focus groups did not raise any concerns or issues with tracking Asset Composition.

The focus on Current Asset Composition as opposed to Total Asset Composition speaks to liquidity, and is only one part of the story; interpret changes in current assets while looking at changes in both total assests and current liabilities.

Component	Location
Cash and Cash Equivalents	990 Part X: Line 1B+ Line 2B or Statement of Financial Position
Accounts and Other Receivables	990 Part X: Sum of Lines 3B-7B or Statement of Financial Position
Other Current Assets	990 Part X: Sum of Lines 8B-9B or Statement of Financial Position