

Top five financial indicators for not-for-profits

I want to know...	Look at...	How do I do that?	Where do I find those numbers?	What's a good benchmark?	I should worry if...
Is this organisation about to go bust?	Reserves compared to total expenditure	$(\text{Net assets} \div \text{total expenditure}) \times 100$	Net assets (balance sheet) Total expenditure (profit & loss statement)	10% is good. 20% is great. Lower than 5% is trouble.	The net assets figure is negative
Does it have enough money to pay its debts?	The current ratio	$\text{Current assets} \div \text{current liabilities}$	On the balance sheet	Over 1 is good. Over 2 is great.	The result is less than 1
How much cash does this organisation have?	Unrestricted cash	Cash – income received in advance	On the balance sheet	The higher the better. But at least enough to cover three months of operating.	The result is a negative number
How dependent is this organisation on government funding?	Grant funding compared to total revenue	$(\text{grants} \div \text{total revenue}) \times 100$	On the profit & loss statement	The lower the better, but aim for under 25%. (Varies considerably by industry)	The result is 50% or over
How efficient is its fundraising?	Fundraising expense compared to amount raised	$(\text{Fundraising expenses} \div \text{fundraising revenue}) \times 100$	On the profit & loss statement	The lower the better, but aim for under 20%	The result is 50% or over