

PhilanTrack® Online Grants Management System Financial Analysis Tool

The PhilanTrack® Online Grants Management System contains a robust financial analysis tool, developed with Professor Elizabeth Keating of Harvard's Hauser Center for Nonprofit Organizations, which enables grantmakers to perform due diligence and gauge the financial health and performance of their grantees and grant applicants. Drawing from basic financial statements, PhilanTrack's financial analysis tool performs six analyses:

- **Debt Servicing Ability** - Investigates whether the organization can pay current interest and repay loans, mortgages, and other forms of debt as they mature.
- **Efficiency** - Out of concern for waste and mismanagement, many funders want to know whether their funds are being well spent. The efficiency analysis provides that information. For example, the cost per unit of outcome or cost per unit of service indicates how efficiently the organization is providing services.
- **Financial Mix** - Provides an overview of an organization's funding diversity and expense ratios, going beyond administrative and fundraising ratios to provide a more detailed view of how funds are spent as well as the sources of an organization's support to paint a picture of the organization's overall funding and expenditure mix. *See the example below.*
- **Liquidity** - A sufficiently liquid organization is able to pay payroll and other bills on a timely basis by using current assets. An organization that is illiquid must either sell less liquid assets, increase borrowings or delay paying bills. An overly liquid organization holds too much cash and is foregoing opportunities to earn investment income, reduce borrowing costs or provide additional services. This analysis provides information about an organization's liquidity.
- **Long Term Viability** - Organizations need sufficient resources to remain in business and work to fulfill their missions. Nonprofits rarely file for bankruptcy when they face financial difficulty, instead they scale back operations, so it is difficult to look to a single measure to assess viability. One measure that is often considered is whether or not a nonprofit is solvent. A solvent nonprofit has positive net assets. This analysis provides information about an organization's long term viability.
- **Profitability** - Profitability relates the new economic resources obtained by an organization to the new costs it incurred during the same time period. In single year, a nonprofit can operate with a surplus, deficit or at breakeven. This analysis provides information about an organization's profitability.

PhilanTrack's financial analysis tool provides insights into organizations' financial health and performance and provides explanations of why key ratios and data points are important as well as how to use that information to assess an organization's financial health and performance.

Analyses can be performed on a single organization or across a portfolio or set of organizations.

PhilanTrack's analyses are dynamically generated from grantee-entered information, and can be viewed on screen or downloaded as PDFs or RTF (Word-compatible) documents. Individual tables can also be exported as spreadsheets.

An example of the output of the financial mix analysis (the image only shows part of the analysis) follows:

View Analysis

1. Analyze by:

Organization

2. Choose Analysis:

Financial Mix

Analyze

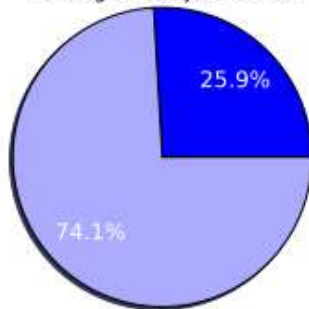
Financial Mix for Arts Bank

Report used for this analysis:

To analyze financial information from a different report, select the report from this list and click the "Analyze" button above.

Funding Diversity - Overview

[Export to Spreadsheet](#)

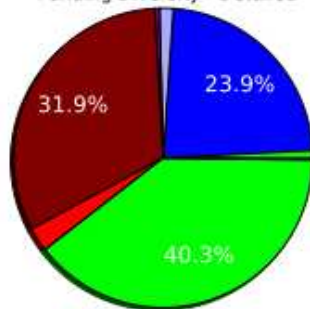


Source	Amount	Pct.
Total Receipts	1,180,071.00	25.9%
Total Program Service Revenue	3,373,218.00	74.1%

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Funding Diversity - Detailed

[Export to Spreadsheet](#)



Source	Amount	Pct.
Individual Contributions	1,089,134.00	23.9%
In-Kind Contributions/Donations	67,082.00	1.5%
Special Events Revenue	23,855.00	0.5%
Rental Income	1,454,509.00	31.9%
Dividend and Interest Income	120,428.00	2.6%
Realized Gain/(Loss) on Investments	1,834,113.00	40.3%
Gain/(Loss) on Sale of Other Assets	(46,718.00)	-1.0%
Other Receipts	10,886.00	0.2%

[Enlarge and view details](#)