WHITE PAPER

Board reporting you can trust

When the board asks how many members or donors you have and hears three answers, the problem is not the arithmetic. Nobody agreed what is being counted, where it comes from, or when it was taken. Why the numbers never match, and how to make them match every quarter.

01 Three answers to one question

02 Definitions, the quiet cause

03 Timing and sources

04 The spreadsheet in the middle

05 Fixing it, in order

06 A board pack worth reading

07 The metric definition card

08 Two cards, filled in

For
Anyone who builds, presents or relies on board reports

Time to read
About 25 minutes

Use it
Before you build the next board pack

A NOTE BEFORE YOU START

The board does not distrust your numbers. It distrusts not knowing which one to believe.

Something I hear, in one form or another, at a great many organizations: the first twenty minutes of the board meeting go on arguing about the numbers, and the last twenty on rushing the decisions.

The figures in a board pack are rarely wrong in the sense of a miscalculation. Each is right about something slightly different. Membership counts everyone active today. Finance counts dues recognized this quarter. The CRM report counts any record with a member type. Development counts donors who gave this fiscal year, or in the last twelve months, depending on who built the report.

Each figure can be defended. Side by side, they look like an organization that does not know itself. And the board, reasonably, starts to wonder what else it cannot see.

The fix is not a new dashboard. It is quieter than that: agree what each number means, decide where it comes from, and build it so anyone can produce it again and get the same answer. This paper walks through why numbers drift and how to stop them, and ends with the card we use to pin a metric down.

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The short version

- Most mismatches are definitions, not errors.
- Every board metric needs one written definition, one owner and one source.
- Put the as-of date beside every number.
- A report rebuilt by hand each quarter is not a report. It is a ritual.
- Fewer metrics, better defined, beat a longer pack.

Who should read it

Whoever presents the numbers, whoever builds the board pack, and the treasurer or finance chair. The fix needs all three in the same conversation.

Worth remembering. Trust in a number comes from being able to say exactly what it counts, where it came from and when it was taken. The precision of the arithmetic matters far less.

01 · THREE ANSWERS TO ONE QUESTION

How one organization ends up with three member counts.

Take an association with about 3,000 members. This is an illustration, not a client, but the shape will be familiar. In the same week, three people are asked how many members it has.

MEMBERSHIP TEAM

3,140

Every membership active today, including those in a 60 day grace period after their renewal date.

FINANCE

2,870

Members whose dues were paid and recognized in the current fiscal year.

CRM REPORT

3,410

Every contact with a member type filled in, including lapsed records nobody closed.

None of these people made a mistake. Each answered a slightly different question. But the board sees three numbers more than 500 apart and draws the natural conclusion: nobody knows. A nonprofit sees the same thing with donors, where "active donors" can mean last fiscal year, the last twelve months, or anyone with a gift on file.

The four causes

Definitions	The same word means different things to different teams: member, active, donor, retained, new, attended.
Timing	Numbers taken on different dates or over different periods: calendar year, fiscal year, rolling twelve months, as of this morning.
Sources	The same fact held in two or more systems that do not agree: the CRM, the accounting system, the event platform, the email tool, a personal spreadsheet.
Hand-built spreadsheets	Figures assembled by a person each quarter, with steps that live in their head and shift a little every time.

Most organizations have all four at once. The order matters, because fixing the later causes without the first only produces a faster wrong number. A new reporting tool built on undefined terms will give the board three answers more quickly, in nicer colors.

The useful reframe. When numbers disagree, stop asking which one is right. Ask what question each one answers. The disagreement usually dissolves into a definition nobody has written down.

02 · DEFINITIONS, THE QUIET CAUSE

Words everyone uses and nobody has defined.

Definitions drift because they were never written down. Each team settled on a meaning that suited its work, and the meanings were close enough that nobody noticed until the numbers sat side by side. These are the metrics where we most often see it, and the questions that change the answer.

METRIC	THE QUESTIONS THAT CHANGE THE ANSWER
Members	Paid, or active? Does a grace period count? Lifetime, honorary, complimentary and staff memberships? Is an organizational membership one member, or one per named person? Chapter-only members?
Renewal or retention rate	Out of whom: those due to renew in the period, or everyone who was a member at the start? Over what window? When do early renewals and late payers count?
New members	First ever, or returning after a lapse? After how long away does a returning member count as new again?
Active donors	Gave in this fiscal year, or the last twelve months? Do unpaid pledges count? Soft credits, matching gifts, in-kind gifts, event tickets?
Donor retention	Counted by individual or by household? Same window in both years? Do gifts through a donor advised fund or a family foundation credit the donor?
Revenue by stream	Recognized or received? Restricted and unrestricted together? Is event sponsorship counted under events or under development?
Program reach	Unique people, or attendances? Registered, or attended? Counted once across all programs, or once in each?
CE credits issued	Credits earned, or certificates issued? By completion date or by course date? Are provisional credits included?

None of these has a single right answer. That is the point. They are decisions, and decisions belong to someone. The membership director may define "member", but the board should know the definition and be able to see it whenever it sees the number.

Bylaws and finance policy sometimes settle part of the question already. If your bylaws say when a lapsed member loses voting rights, or your revenue recognition policy says when dues count, start there. The definition should agree with what the organization has already decided elsewhere.

The test of a definition. Two people, working separately from the same data, get the same number. If they do not, the definition is not finished yet.

03 · TIMING AND SOURCES

A number without a date and a source is half a number.

Timing

Membership numbers move daily. Gifts arrive in December and are entered in January. Dues are paid in one fiscal year and recognized across two. If the membership report runs on the 3rd and the finance report on the 20th, they will differ even when both are right.

- Pick one as-of date for the whole pack, usually the last day of the period, and run every figure to it.
- Name the period: fiscal year to date, quarter, rolling twelve months. Do not mix them in one table.
- Print the as-of date beside every figure. One line, and it ends half the arguments.
- Agree a cutoff for late entries. What arrives after it counts next period, and the pack says so.

Sources

Most small organizations hold the same facts in several places: members in the CRM and in accounting, attendance in the event platform and again in the CRM, donors in the database and in a spreadsheet the development director keeps just in case. Every copy drifts.

The fix is to name one system of record for each metric. Not the system you wish you had; the one that is closest to the truth today. Where two systems must agree, such as dues or gift income in the CRM and in accounting, reconcile them on a schedule and write down the difference and the reason.

A simple source map (an example)

FACT	SYSTEM OF RECORD	RECONCILED WITH	HOW OFTEN	BY WHOM
Member count	CRM	Dues income in accounting	Monthly	Finance
Gift income	Accounting	Gifts in the CRM	Monthly	Finance with development
Event attendance	Event platform	Attendance synced to the CRM	After each event	Events
CE credits	Learning system	Member records in the CRM	Quarterly	Education

Writing this map is often the moment an organization discovers that one fact has no clear home, or two competing ones. That is worth knowing. It is also a decision for leadership, not for whoever happens to run the report.

A reconciliation difference is not a failure. An unexplained one is. "Thirty-eight gifts received on December 31 were entered on January 3" is a sentence a board will trust more than a perfect match it cannot see behind.

04 · THE SPREADSHEET IN THE MIDDLE

The spreadsheet in the middle, and the person who holds it.

In most organizations, between the systems and the board pack, there is a spreadsheet. Someone exports from two or three systems, pastes the data in, applies some filters, removes the rows they know are wrong, and produces the figures. It works. It has worked for years.

It also has four weaknesses that grow quietly. The steps live in one person's head, so the pack depends on their calendar. The filters change a little each quarter, as that person learns something new, so this year cannot honestly be compared with last. Corrections are made in the spreadsheet rather than at the source, so the same errors come back next quarter. And nobody else can check the result, so the board is trusting a person rather than a method.

None of this is a criticism of the person. Usually it is the most careful person in the building, who built the spreadsheet because nobody else would. The risk sits with the organization.

What reproducible means

Same inputs, same answer. Run the report twice on the same data and you get the same figure, without anyone making a judgment call in between.

Someone else can run it. A second person, following written steps, produces the pack without calling the first.

Corrections go to the source. When a record is wrong, it is fixed in the system, not patched in the export.

Changes are recorded. When a definition or filter changes, the pack says so, and earlier figures are restated or clearly flagged.

The best version is a saved report in the system of record, built to the written definition and run on the as-of date. The second best is a documented spreadsheet with written steps that someone else has followed successfully. The weakest is the one we started with, and it is where most organizations are today. Moving up one level is a good quarter's work.

A good first test. Ask the person who builds the pack to take a week off at quarter end, and have a colleague produce it from written steps. Whatever goes wrong is your list of fixes.

05 · FIXING IT, IN ORDER

Six steps, over two or three quarters, without changing a system.

01 **Pick the board metrics**
Agree with the chair or treasurer the eight to twelve figures the board actually uses to decide. Everything else is management information and can wait for this level of care.

02 **Write the definitions**
One card per metric (page 9). Draft it with the team that does the work, check it with finance, and take the set to the board or finance committee to note.

03 **Name an owner for each**
The person who answers for the definition and the number. Usually the head of the function, not the person who runs the report.

04 **Choose the source**
One system of record per metric, and a reconciliation schedule wherever two systems must agree.

05 **Build it once**
A saved report or documented query, to the definition, that anyone with access can run. Fix the source data you find wrong along the way, at the source.

06 **Publish with the date, and restate when things change**
Every figure carries its as-of date. When a definition changes, show the old and new side by side for at least one period so the trend stays honest.

Expect the number to move

When an organization finally agrees what a member is, the count usually goes down. Lifetime and complimentary memberships come out, lapsed records nobody closed come out, organizational memberships stop counting once per person. The new figure is lower, sometimes noticeably.

That is not bad news. It is the first honest number the board has seen, and the first one that will mean the same thing next quarter. How it is introduced matters more than the size of the drop: tell the board before they see it, explain what changed, and show the history restated on the new definition if you can.

Do not wait for a new system to start. Definitions, owners and as-of dates cost attention, not licenses, and any new system will need them on day one anyway.

06 · A BOARD PACK WORTH READING

A board pack worth reading is usually shorter than the one you have.

Board packs grow by addition. Every question a board member once asked becomes a permanent table, and nothing is ever taken out. The result is long, the important figures are hard to find, and the staff time spent assembling it grows every year.

What each board metric should show

ELEMENT	WHY IT IS THERE
The figure, the same figure last period, and a year ago	A number alone tells the board very little. The trend is the information.
The as-of date and the period	So nobody compares a fiscal year figure with a rolling twelve month one.
A one-line definition, with the full card in an appendix	So the board knows what it is counting without having to ask in the meeting.
The owner	So questions go to the right person, ideally before the meeting rather than during it.
A short note when it moved materially	Two sentences: what changed, and what we are doing about it.

Questions a good board member asks

- What exactly does this count, and has the definition changed?
- Where does it come from, and when was it taken?
- Who could produce it if the usual person were away?
- Does it agree with finance, and if not, why not?
- What decision does this number help us make?

Board metrics and management metrics

The last question above is the most useful one. A metric that informs no board decision belongs in a management report, where staff can use it without the ceremony. Keeping the board set small is what makes it possible to define every one of them properly.

For the treasurer or finance chair. You are often the board member best placed to ask for this work, because you already expect definitions, sources and reconciliations from the financial statements. Asking for the same discipline on members, donors and programs is a natural extension, not a new burden.

07 · COPY THIS

The metric definition card

One card per board metric. If a field is hard to fill in, that is usually where the numbers have been drifting.

Metric definition card		Version [n] · Approved by [role or committee] on [date]
Metric name	The exact name used in the board pack. One name, used everywhere.	
Question it answers	In plain English, what the board learns from it.	
Definition	What is counted, in one or two sentences a board member can read.	
Includes	The cases that count.	
Excludes	The cases that do not, and why.	
Unit	People, households, memberships, records, dollars. Counted once, or once per program?	
Period and as-of date	Fiscal year to date, quarter, rolling twelve months. The date it is taken.	
System of record	The one source, and the name of the saved report or query.	
Reconciled with	Any second system that must agree, how often, and who does it.	
Owner	The role that answers for the definition and the number.	
Produced by	Who runs it each period, and who covers when they are away.	
Decision it informs	What the board would consider doing if it moved.	
Known limits	Anything the board should know: lags, gaps in older data, estimates.	
Change log	Date, what changed, who approved, whether history was restated.	

Keep the cards together in one short document, attached to the board pack or held where the board can find it. When a card changes, the version and change log change with it.

08 · TWO CARDS, FILLED IN

Examples, not standards.

These show the level of detail that works. Your definitions should follow your bylaws, your fiscal year, your finance policies and your board's questions.

EXAMPLE · AN ASSOCIATION

Member renewal rate

QUESTION IT ANSWERS
Of the members due to renew, how many did?

DEFINITION
Memberships whose end date fell in the period and that renewed within 60 days of it, divided by all memberships whose end date fell in the period.

INCLUDES
Individual and organizational memberships, each organization counted once. Early renewals.

EXCLUDES
Lifetime, honorary and complimentary memberships. Members who died or whose organization closed, reported separately.

UNIT
Memberships, not contacts.

PERIOD AND AS-OF DATE
Rolling twelve months to quarter end, taken 60 days after quarter end so the grace period has closed.

SYSTEM OF RECORD
CRM, saved report "Board: renewal rate R12".

RECONCILED WITH
Dues income in accounting, monthly, by finance.

OWNER AND PRODUCER
Director of Membership. Run by the membership coordinator; the operations manager covers.

DECISION IT INFORMS
Whether renewal outreach or member benefits need attention before the budget is set.

KNOWN LIMITS
Lags one quarter, by design. The pack says so.

CHANGE LOG
[Date] Grace period changed from 90 to 60 days, noted by the finance committee. Prior four quarters restated.

EXAMPLE · A NONPROFIT

Donor retention

QUESTION IT ANSWERS
Of last year's donors, how many have given again this year?

DEFINITION
Households with at least one paid gift in the prior fiscal year and at least one paid gift so far this fiscal year, divided by households with a paid gift in the prior fiscal year.

INCLUDES
Paid gifts of any size, recurring gifts, and gifts through donor advised funds credited to the household.

EXCLUDES
Pledges until paid, event tickets with no gift portion, soft credits, and foundation and government grants, reported separately.

UNIT
Households.

PERIOD AND AS-OF DATE
Fiscal year to date, compared with the same point last year, as of the last day of the quarter.

SYSTEM OF RECORD
CRM, saved report "Board: donor retention FYTD".

RECONCILED WITH
Gift income in accounting, monthly, by finance with the database manager.

OWNER AND PRODUCER
Director of Development. Run by the database manager; the development associate covers.

DECISION IT INFORMS
Where to put stewardship effort, and whether the individual giving line in the budget is realistic.

KNOWN LIMITS
Household links before [year] are incomplete, so earlier years may slightly understate retention. The pack says so.

CHANGE LOG
[Date] Donor advised fund gifts moved to household credit. Prior year restated.

WHAT TO DO NEXT

Start with one number.

01 Pick the figure your board argues about most

Usually it is members, or active donors. Fill in one card for it, with the person who owns the work and the person who builds the pack in the same room. Agree the definition, the source and the as-of date.

02 Put the card in front of the board with the next figure

Explain what changed, if anything did, and show the history on the new basis. Then do the next metric. Most organizations can define their core board metrics within two or three quarters, without changing a single system.

One agreed number, with its date and its source, does more for a board's confidence than a new dashboard. It also gives the meeting back its time, for the decisions the board is there to make.

Before your next board pack

- [ ] Every figure in the pack carries the same as-of date, printed beside it.
- [ ] The metric the board argues about most has a written card, with an owner and one source.
- [ ] Someone other than the usual builder could produce the pack from written steps.
- [ ] Membership or donor totals have been reconciled with finance, and any difference is explained in a sentence.

WHEN THE NUMBERS POINT TO THE SYSTEMS

Sometimes writing the definitions shows that the data is not there, or lives in too many places to reconcile. That is worth knowing before buying anything. The Digital Readiness Blueprint looks at what you run, where each board figure comes from and what it would take to make the pack reproducible, and sets out a plan in stages.