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Creativity Econ 3

Andrew Taylor · Wednesday, June 1st, 2011

One of the oddities of nonprofit accounting practice is the way it bundles all kinds of money into a single blob. Earned income, annual contributed income, and incoming capital money all show up in the Income Statement in a way that can cloud analysis of financial health, and distract us from a frank assessment of financial balance. The result can be opaque rather than transparent financial reports, particularly during a capital campaign. Worse, opaque reporting leads to hazy strategy both by organizations and by the funders that seek to help them.

More…

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