THE Nonprofit QUARTERLY

Miller

Linnell

Spack

Strange Accounts

Radosevich

Understanding Nonprofit Finance

Pratt

Lammers

Raffa

Keating

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Welcome

THE *NONPROFIT QUARTERLY* LIKES TO DIG DOWN DEEP INTO ISSUES THAT, AT TIMES, have befuddled the best of us. So of course we were attracted to the topic of nonprofit finances—it contains so many trapdoors that are very hard to struggle back out of after you've fallen in. Every game has different rules. How well you play the game depends upon your knowing those rules and understanding what strategies produce what result under what conditions. For instance, if you were playing on a chessboard with checker rules you'd be a sure loser. In fact you wouldn't even really be considered a player. So it is with nonprofit finance. You are just not on the same board as you would be in a for profit environment. The rules are different. If you don't know how different they are and why that is so, you can't be as skillful a strategist—as a manager or board member—as you might like.

This collection of articles includes some which we believe should be standard reading for every board member and manager. In particular we think that Clara Miller and Jon Pratt's articles provide extraordinarily useful frames for constructing your financial model. This construction can and should be a far more conscious process than it is in many nonprofits. Jennifer Lammers addresses the financial ratios outside stakeholders may be using when judging your effectiveness; increasingly important as foundations and individual contributors use online resources to guide their giving. Elizabeth Keating and Thomas Raffa talk practicalities of deciding grant overhead and perception problems caused by the recording of multi-year grants. Finally, for the financial management 101 crowd, we include a chapter from the *Executive Director's Guide*, a layperson's primer on nonprofit financial management. This piece is wonderful in its simplicity and thoroughness.

Enjoy this collection and please let us know what you think! You may reach the editors at feedback@nonprofitquarterly.org. And if you like these articles, you won't want to miss receiving the *Nonprofit Quarterly* as a whole. You can subscribe at on our Web site at www.nonprofitquarterly.org/subscriptions.

Ruth McCambridge
Editor in Chief

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