REPORTING

Reports from PARTNERS….

What a surprise to learn that people skilled at rolling up their sleeves to help impoverished individuals improve their lives are often not gifted accountants. We started with the expectation that the site administrators would provide accurate reports of both the financial activity on each loan as well as a reconciliation of all funds received from The Colombia Project and from repayments. This did not work out well. Each month, I had to decipher the information in a variety of formats, with no means to verify accuracy.

At the time, I was working in a government agency where I regularly encountered glassy stares when noting that data should be consistent across all the reports that touched on a given activity. Arriving at the same number by various measures is a good way to validate data. Numbers had to tie back to something other than the one spreadsheet in front of us. It was a foreign concept in Miami and equally foreign to grassroots non-profits in Colombia.

What we eventually realized is that site administrators were appropriately concerned only with open loans, whereas The Colombia Project needed information that would help us recruit new partners and recruit and maintain donors. We needed to know how
often each dollar was invested, how well they were doing at keeping funds invested in loans, how much they were earning in interest and what the percentage of bad loans was as compared to the overall loan history. There was no need for the grassroots administrators to calculate such information and therefore they were not getting on board with our requests for this data. Plus, it was becoming increasingly time consuming to decipher reporting formats for numerous loan partners, especially when they underwent frequent revisions.

In 2007 we went through the painful process of implementing a new and much simpler reporting system designed by Sister Ruby, the loan administrator in Genova. In order to begin, however, we needed to agree on how much money they had on hand and how much was outstanding on individual loans. For our two oldest partners at that time, the task was insurmountable. It is very hard not to become defensive when the funder from the U.S. comes down to look at the books and asks question about inconsistencies in the records. We never doubted their integrity or the good work they were doing, but no matter how many ways you say those words, it feels threatening when an outsider questions you about financial records. The language barrier only makes it worse.
If we had Sister Ruby’s payment log from the beginning, perhaps the two partners in Santa Marta and Cartagena could have remained. Numbers were a challenge for each of those administrators, but with Sister Ruby’s log all that is needed is to record the money on hand at the beginning of the month, add each new payment, deduct each new loan, add new funds received from The Colombia Project and deduct funds spent on administrative costs and projects and note the balance at the end of each transaction. That balance should always match the funds on hand and the opening balance on the report should match the closing balance on the previous report. With this information, I could update my own spreadsheets to generate the summary reports that enabled us to objectively assess a program’s qualifications for new funds and identify issues to be addressed.
Cognizant that savvy investors prefer to donate where their generosity does the most good, TCP Global generates summary reports which document the number of times each donated dollar is invested as well as the delinquency rate and the funds earned and used by the grassroots partners for special projects. These reports are generated both in dollars and in the local currency. For the administrators, it is motivational to see the big picture of what they have accomplished, particularly when they are focused on the inevitable slow payers and no-payers that come into the program as it expands.

It is also helpful for them to see how their earnings are calculated.

As more sites are added, more data helps us identify trends. We get a clearer picture of how many loans one administrator can handle and we can better understand the significance of the loan duration and loan size. Since all reports are converted back to dollars, it is possible to compare results in Peru, Guatemala, Niger, Colombia, etc.

End of drill down