

Not-for-Profit Industry

Why Data Sharing Matters for Your Nonprofit

For nonprofits, data can be an invaluable asset—or it can be a huge question mark. How can nonprofits help people when they don't know exactly who needs help—or how best to go about it? That is what data does; it fills in the blanks so that organizations can make informed decisions about policy, programs, and progress.

Without access to data, or even enough data, we lack the ability to understand complex issues. When you only have a few pieces of the puzzle, a nonprofit's projects or efforts may not be targeting the people or places that really need help. But when you have access to multiple sources of information on a single subject, you can assess the whole picture.

That is why data collection and data sharing matter so much. According to Heather Krause from Datassist, data sharing in the nonprofit and public sectors will be the best way to meet the changing needs of today's citizens. Here is why.

HOW DO NONPROFITS FIND DATA?

A quick search for public databases will turn up resources like Data.gov, UNICEF, and even Google Public Data. Because these databases are “open,” the public can freely access the information on these sites. But what happens when you have a specific question ... and the open source data does not tell the whole story?

In those cases, most nonprofits search for the data themselves, using surveys or data mining tools like software, records, etc. Then, they use that data to create programs, budgets, and specific goals that help them solve a unique problem in the world. After that, all of the data they collect is essentially “siloesd” and only used internally.



So what happens when another nonprofit, at-risk group, or event is being evaluated—and the first nonprofit's data could fill a huge hole in the story? Rather than simply sourcing the data from the group that already has it, more data (and the time and money associated with it) is collected.

On top of that, ensuring the quality and integrity of data that nonprofits source is a huge argument in the case for data sharing.

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ISSUES WITH OPEN SOURCE DATA

In addition to the data siloes that most nonprofits create for themselves, most use open source data to fill in the blanks for their causes or programs. Unfortunately, most open source data is simply a list of data points in a table—there is no “story” behind it.

Take, for example, this table from Data.gov on the death count for drug overdoses by state.

State Name	Year	Month	Period	Indicator	Data Value
Maine	2015	November	12 month-ending	Cocaine (T40.5)	33
Nevada	2016	July	12 month-ending	Methadone (T40.3)	59
Vermont	2016	July	12 month-ending	Number of Deaths	5715
Alaska	2016	May	12 month-ending	Number of Deaths	4241
Alaska	2015	January	12 month-ending	Number of Deaths	4034
Alaska	2015	February	12 month-ending	Number of Deaths	4084
Alaska	2015	March	12 month-ending	Number of Deaths	4101
Alaska	2015	April	12 month-ending	Number of Deaths	4133
Alaska	2015	May	12 month-ending	Number of Deaths	4196
Alaska	2015	June	12 month-ending	Number of Deaths	4201
Alaska	2015	July	12 month-ending	Number of Deaths	4220
Alaska	2015	August	12 month-ending	Number of Deaths	4222
Alaska	2015	September	12 month-ending	Number of Deaths	4242
Alaska	2015	October	12 month-ending	Number of Deaths	4241

It shows the states, period of data collection, and “data values.” What this information does not tell us is who these people were, why they were at risk for overdose, or which group or demographic was most affected by drug use. This means that using open source data requires nonprofits to assess data siloes for bits and pieces of the story. Then, they have to ask:

- *Does it match our demographic?*
- *Are the methods used in the study reflective of the outcomes we are hoping to find?*
- *Who were the participants really?*
- *Is this an objective finding or is it biased?*

All of these questions are ethically and practically necessary. Appropriating data to “fit” the story you are trying to tell is not going to solve your nonprofit’s problems. Instead, it is going to create even more data siloes and incorrect conclusions. It also prevents other organizations from getting the full picture they need.

Cole, Newton & Duran's Not-for-Profit Practice

Our not-for-profit team has years of experience providing assurance, accounting, and tax services to a variety of not-for-profit organizations. Clients receive information on the latest accounting and tax developments as well as industry regulations.

Cole, Newton & Duran’s team of not-for-profit professionals are involved in every stage of our client’s engagement to ensure they are receiving high quality, responsive service.

Clients enjoy working with experts who help achieve their objectives. Clients receive industry knowledge and solutions they need to not only reach, but to exceed their strategic goals.

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SO WHAT IS DATA SHARING?

Data sharing is the active exchange of information, whether between organizations or in the public domain. As a nonprofit, you can decide how best to share your information and what sort of information you choose to source. Heather Krause calls this the “all or nothing” approach, where organizations can choose which components of their data to share, or they can make all of it freely available.

Data sharing has existed, especially in scientific and academic circles, for a long time. As our technology advances, though, data sharing becomes just as easy as it is essential.

HOW CAN NONPROFITS SHARE DATA?

Your organization might already be sharing data in the form of:

- Newsletters with recent outcomes from your programs
- Budget reports and analyses
- Infographics and data visualizations
- Volunteer project stories
- Information on your target demographic

Most nonprofits already send this information into the public space to increase donors, volunteers, and overall reach. The idea with data sharing is to simply provide more of a history with your data, i.e., how it was collected, who the people are, and what outcomes and actions your organization used. How you choose to share your data is up to you. Many organizations use:

- Yearly or quarterly reports
- Social media
- Data and research website pages
- Conferences, presentations, and meetings

Hundreds of thousands of nonprofits are required to share information through their Forms 990 and other IRS filings, much of which you can find on sites such as GuideStar. GuideStar makes it easy to provide context for your IRS information, allowing nonprofits to update their GuideStar Nonprofit Profiles at no charge. You can even upload your application for exemption, IRS letter of determination, annual reports, audited financials, and other documents to your profile.

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CONCERNS ABOUT NONPROFIT DATA SHARING

With any open source data, nonprofits and other organizations must evaluate all information to make sure it truly fits their needs. We must also ensure that open data sharing does not breach privacy or ethical guidelines.

According to Jacob Harold and Bradford K. Smith, “Data standards’ are simply a way of organizing information in a consistent format to make it more useful.” Data, even when shared through other nonprofits, is not “one size fits all,” and our standards for data should be even higher. Checking all open source or shared data for its methods, applications, and outcomes is essential if you want to find data that will truly inform decisions.

Also, when it comes to data sharing and privacy, many nonprofits have well-deserved concerns. Protecting the privacy and social identity of the people we are trying to help is just as crucial as the actual work. Heather Krause of Datassist says that protecting privacy in data collection means “distinguishing between collection, use, and disclosure of information. Personally identifying information should be removed wherever possible, and make sure to secure your data against intruders.”

When we know that the collection and use of data line up with our organization’s cause, we do not need to access (or store) personally identifying information. Also, if you are collecting your own data, make sure to always use secure servers and software!

WHEN AND WHERE TO SHARE DATA

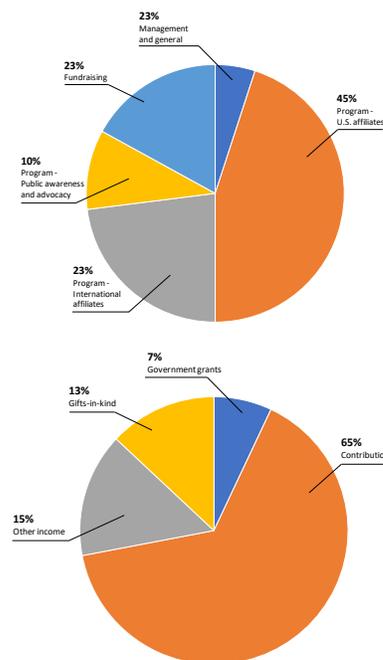
Data sharing might be an integral part of your organization already, or it might be something you do on a small scale without even knowing it. When you are ready to start sharing data—and receiving it—one of the best ways is to visualize it. Data visualization is a huge buzz topic right now, but it basically means making your data easier to absorb. Compare the table below from Habitat for Humanity’s 2016 Annual Report with the visuals to the right. Which would you rather use (or receive)?

Consolidated statements of activities

Year ended June 30

	2016 total	2015 total
Revenues and gains		
Contributions	\$180,223,995	159,048,532
Donations in-kind	36,926,246	35,436,913
Government grants	17,870,220	29,211,401
Other income, net	41,122,180	39,952,256
Total revenues and gains	276,142,641	260,649,102
Expenses		
Program services:		
U.S. affiliates	110,364,534	119,119,742
International affiliates	56,795,890	66,737,102
Public awareness and ed.	24,795,065	25,293,205
Total program services	191,955,489	211,150,049
Supporting services:		
Fundraising	41,751,631	40,866,224
Management and general	11,858,765	12,446,537
Total support services	53,610,396	53,312,761
Total expenses	245,565,885	264,462,810
Losses on contributions	2,810,255	2,162,261
Other	(686,412)	(490,000)
Total expenses and losses on contributions receivable	247,689,728	266,135,071
Change in net assets	\$28,452,913	\$(5,485,969)

Audited consolidated financial statements



Unaudited combined financial statements

The audited financial statements of Habitat for Humanity International reflect only part of Habitat’s work around the world. As autonomous nonprofit organization, Habitat for Humanity affiliates and national organizations keep their own records of revenues and expenditures.

To better demonstrate the magnitude of the movement, Habitat for Humanity International annually compiles combined (unaudited) financial amounts for Habitat for Humanity in total. For the fiscal year that ended June 30, 2015, we estimated the total impact of the entire Habitat for Humanity mission was as follows:

Total revenue of \$1.8 billion

Total net assets of \$2.6 billion

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You can create data visualizations like graphs and charts, or you can create infographics that share multiple data points. Infographics and data visualizations are easily shared:

- On social media
- In PDF reports
- Via e-mail
- As presentations at conferences or donor meetings
- As newsletters (digital or print)

Your data, and data that other organizations share, can be used to create tons of multi-use content without costing a fortune, too. You can also share the spreadsheets and history behind the data, if necessary. Data visualizations just make data sharing easier.

SHARING DATA MAKES THE WORLD A BETTER PLACE

That probably sounds like a bold statement, but if every nonprofit shared its data, the baseline of information available would change outcomes for causes and programs all over the world. Everyone would have access to the information he or she truly needs.

Sharing information is mutually beneficial, as it allows for:

- More data analysis and improved standards
- Decreased costs and time spent on data mining
- Improved results from targeted programs
- Better use of funds, time, and resources

Data sharing also helps the people and places that nonprofits are created to support. Without an increase in data sharing, your nonprofit will continue to use data that will not provide the whole story. It will also make it hard for your organization to show the important difference it is making.

Data sharing between nonprofits is a great way to support every cause and every program. In the end, data is going to make a huge difference for the people and places who need your help most. All it takes to make a difference is an open data policy, a few standards for sharing, and a little creativity.

The preceding is an article by Latasha Doyle, blog editor at Easel.ly.

Contact Us

If you would like to discuss how Cole, Newton & Duran's not-for-profit team can help your organization with your accounting, tax, or consulting needs, please feel free to give me a call.

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