



THE FORBES FUNDS

Financial Management Series

Finance Team Roles and Responsibilities

August 19, 2010



Series Agenda

Session 1: Organizational Systems and Controls

- Internal controls and compliance, financial infrastructure, reporting systems

Session 2: Data Analysis

- Interpreting financial statements, financial ratios and financial dashboards

Session 3: Finance Team

- Financial competency and roles and responsibilities



Partners

☞ Kate Sphar, Dewey & Kaye

☞ Scott Leff, Bayer Center for Nonprofit
Management at Robert Morris University

☞ Linda Dickerson, 501c(3)



Session 3

Finance Team

➤ Financial Competency

➤ Roles and Responsibilities

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Financial Roles at a Glance



	ROLES AT A GLANCE		
	Board's Role	Finance Committee's Role	Staff's Role
BUDGET	Approval	Revision and approval	Preparation and revision
FINANCIAL STATEMENTS	Monthly review	Monthly review and analysis	Daily monitoring., Report preparation
FINANCIAL CONTROLS	Ensure adequate controls and reporting	Annual policy review and revision	Carry out policies, raise policy issues as needed with board
AUDIT & 990	Approve hiring of auditor. Review and approval of audited financial statements and Form 990	Recommend auditor for approval; review audit and 990 with auditor; oversight of audit process	Work with auditor during audit process; respond to issues in management letter
INVESTMENTS	Approve investment policy; annual review of investment policies	Periodic review of investment performance and policies	Monthly review of investment performance; carry out policies
OVERALL FINANCIAL COMPETENCY	Is well-informed about the organization's finances.	Coordinates board training on financial matters. Acts as liaison between full board and staff on fiscal matters.	Well-informed about day-to-day financial position; bring key issues to finance committee

Financial Dos and Don'ts

Boards should:

-  Review and approve budget and financial reports
-  Oversee budget development process
-  Oversee audit and financial statement preparation
-  Develop financial strategy with management
-  Review internal controls and investment policies




Staff should:

-  Develop financial reports
-  Provide information and assistance to board and auditors





Financial Dos and Don'ts

Boards *should not*:



-  Manage day-to-day financial operations
-  Develop financial reports or budget
-  Hire and supervise staff

Staff *should not*:

-  Implement budget, controls or policies without approval from the board
-  Assign all financial duties to a single staff member

Financial Skills and Expertise

Valuable skills & expertise

- + Bookkeeping and basic accounting
- + Certified Public Accountant
 -  Audit
 -  Tax preparation
- + Nonprofit finance
- + Nonprofit management
- + Legal
- + Banking/investments



Discussion Questions

- Are board and staff performing appropriate duties?
- Have we separated financial duties as much as possible given our human resources?
- What steps can we take to ensure both staff and board have the right skills to manage our finances?



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Guide to Key Financial Information

See Handouts



Discussion Questions

- Are we reviewing our financial data thoroughly and regularly?
- If not, what processes must we put in place to ensure adequate review and analysis?



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Session 3

Finance Team

Questions?



Thank You!

↳ Leslie Bonner, Dewey & Kaye

↳ Ben Hodes, Hodes and Associates

↳ Howard Slaughter, Christian Management Enterprises, LLC

↳ Geoffrey Stillson, Geoffrey Stillson & Associates