

# NonProfit Financial Managers

A Resource for the areas of Finance, IT, Human Resources, and Office/Facilities Management

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For information, go to [npfm.org](http://npfm.org), or contact Mitzi Fennel at 617-547-9861 x235 or Jessica Zander at 617-850-1752.

## **Mark Your Calendars**

All of our meetings take place on the **last Tuesday** of each month. No pre-registration required. Upcoming dates:

- ◆ **April 29: Let the Numbers Tell the Story**
- ◆ **May 27: Conflict of Interest Policies**
- ◆ **June 24: The New 990**

## **NPFM Membership Information**

The annual membership fee of \$100 covers monthly mailings and other operating expenses. The membership period is from September to August. A part-year membership for \$60 is offered for those joining after January 1<sup>st</sup>, which covers membership through August. Full-time students are welcome to join at any time without paying a fee.

In addition to attendance at monthly meetings, members receive a monthly newsletter and access to the NPFM e-mail forum. Lunch is provided for all attendees at meetings. There is a \$12 meeting fee for non-members, and since membership is by organization, there is no limit of individuals from any one organization who may attend the meetings.

R.S.V.P.'s for the meetings are not required.

For renewals or new membership fees, please make your check out to:  
NonProfit Financial Managers  
C/O Child Care Resource Center  
130 Bishop Allen Drive  
Cambridge, MA 02139

Contact Mitzi Fennel at 617-547-9861, x235 for more information.

## **The Next Meeting**

**Topic: Let the Numbers Tell the Story**

**Date: Tuesday, April 29**

**Location: United South End Settlements  
566 Columbus Ave., Boston**

**Time: 12:00 PM – 1:30 PM**

The numbers may speak to us, but we need to think through how the numbers are presented so they tell their story to the CEO, the program staff, the board, and the community. There is an art to presenting numerical information clearly to tell a narrative, whether the format is financial statements, budgets, cash flow projections, or overhead allocations. This will be a workshop, so participants should bring their favorite financial formats (without actual numbers) to share in small groups. Bring your problem formats to solicit suggestions for improvements. Let the numbers speak for themselves!

## **Recap of March Meeting**

Barb Breen, CPA, Director of the Nonprofit Client Practice, Accounting Management Solutions, gave a presentation about how to conduct an operational review of your agency's accounting and financial management practices. The operational review can either be conducted by you and your staff or by an independent outside organization. It is basically a rapid diagnostic review, which assesses the current practices for preparing and reporting financial data and use of systems. The object of such a review is to evaluate what is in place in order to determine if you are using best practices and whether or not changes need to be made to improve the effectiveness of accounting function. This is particularly important in light of more stringent audit requirements resulting from SAS 112 and changes

to the 990. An operational review should be conducted typically when there is a change in senior leadership, implementation of a new accounting system, and periodically, even if there are no major changes (i.e., every three years). Activities that should be looked at are as follows: revenue recognition, management, financial operations, accounting and financial staffing, financial reporting, and strategic planning.

There are a number of questions to ask when conducting an operational review: What is the optimal staffing structure for the finance department? Is staffing adequate to do the job and maintain a tight system of internal controls? Is there separation of duties? Is the staffing structure conducive to ensure good and timely budgeting, cash flow reporting, and meaningful financial projections? Are the systems that are in place both efficient and optimal? Are policies and procedure documented, implemented rigorously and consistently, and are they conducive to a streamlined, lean operation? There should be user-friendly monthly, quarterly, and annual checklists in place. Are internal and external financial reports meeting the needs of stakeholders: management, the Board, funders, the public? Adequate and effective communication on financial matters to management and the Board is a key issue. Sometimes there is a need for training for Board members on fiscal matters and their fiduciary role and responsibility.

The operational review can be conducted internally or externally. You can use your auditors as a resource. You should start by interviewing key managers and Board members. Then look at how basic financial information is delivered to the various Agency stakeholders, internal and external. Next comes an in-depth examination of finance department activities and a scan of changes in financial and regulatory accounting and reporting. Finally, evaluate current systems, recommend action steps if appropriate, and implement training if necessary. Even if you determine that your current approach to accounting and financial management is solid and meets the needs of your Agency, you still need to update your systems to keep up with a frequently changing regulations.

### ***Job Openings...***

The NPFM group has a section on their website for job postings. Check out our website at [www.npfm.org](http://www.npfm.org) for a complete list of jobs. Contact David Richardson at [dr44@verizon.net](mailto:dr44@verizon.net) with questions or postings.

### ***NPFM E-mail Forum***

One of the benefits of membership in NPFM is a subscription to our e-mail listserv. We encourage members to post questions, announcements and new developments in finance and administration. All new members who provide e-mail addresses are automatically subscribed. To post messages send to [npfm@topica.com](mailto:npfm@topica.com)

### ***NPFM Steering Committee***

The Steering Committee consists of several members who are responsible for the meeting topics, speakers, and other details surrounding the group. If you are interested in joining the steering committee, or in submitting ideas for future sessions, please contact any of the existing members, by e-mail or in person at a meeting.