

Getting Your Financial Staffing Right

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Founder and CEO, FMA

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Today's Presenter



FISCAL STRENGTH FOR NONPROFITS



Hilda Polanco
Founder & CEO

Poll

What is Your Organization's Budget Size?

- \$0 -- \$500,000
- \$500,000 -- \$1M
- \$1M -- \$5M
- \$5M -- \$10M
- \$10M +

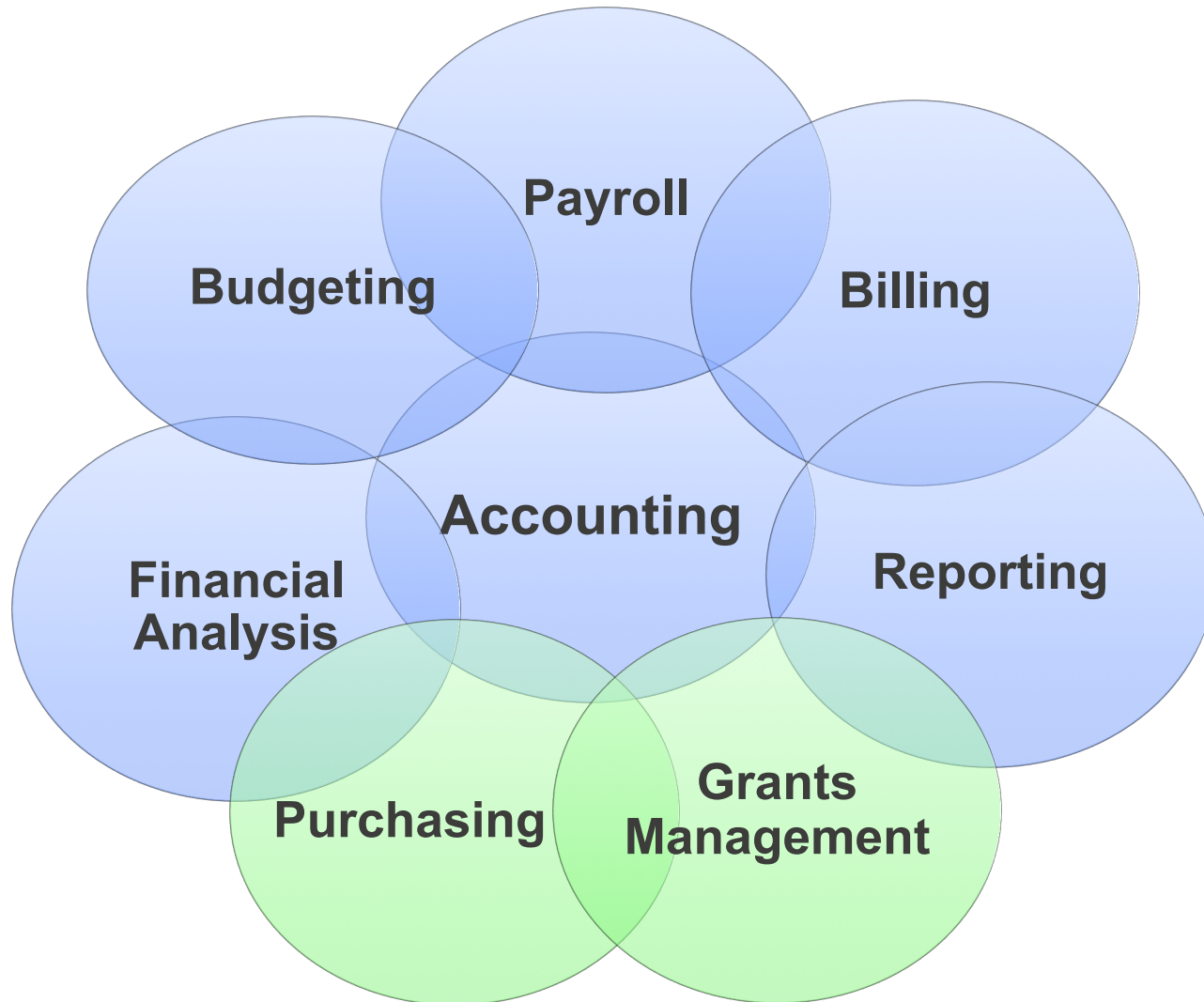
Poll

How Large is the Finance Team at Your Organization?

- No staff are dedicated to finance
- Team of 1
- Team of 2 – 5
- Team of 6 – 10
- Team is greater than 10 staff
- Our finance function is partially or fully outsourced

*How should we be
thinking about fiscal
staffing?*

Finance & Accounting Universe



Finance & Accounting Responsibilities

Controllership

**Planning &
Performance
Management**

**Grants
Management &
Compliance**

Finance & Accounting Responsibilities

Controllership

- General Ledger quality
- Transactions (AP, AR, Billing, Payroll)
- Financial reports
- Reconciliations
- External audit

Planning & Performance Management

- Budgeting process
- Scenario planning
- Forecasting and budget-to-actuals monitoring

Grants Management & Compliance

- Grant and contract monitoring
- Fiscal policies and procedures
- Funder invoices

PAST

FUTURE

BOTH

Levels of Financial Management

Strategic

Lead and support organizational financial planning and monitoring

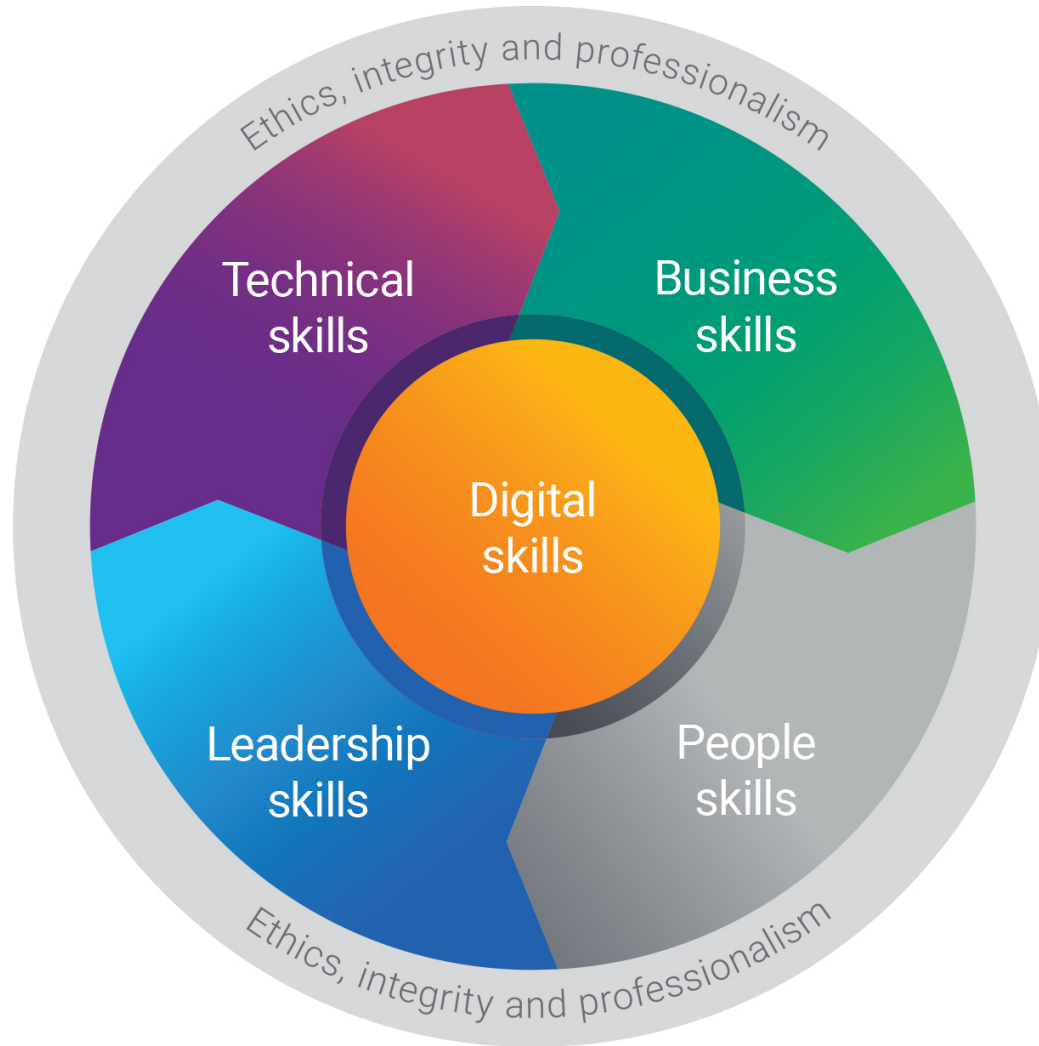
Managerial

Ensure finance is effectively carrying out its operational responsibilities

Transactional

Perform day-to-day accounting functions, data entry, and finance administrative tasks

People: Elements for Success



Fiscal Staff Structure

Factors that Drive the Fiscal Staffing Configuration

Business model

Lifecycle stage

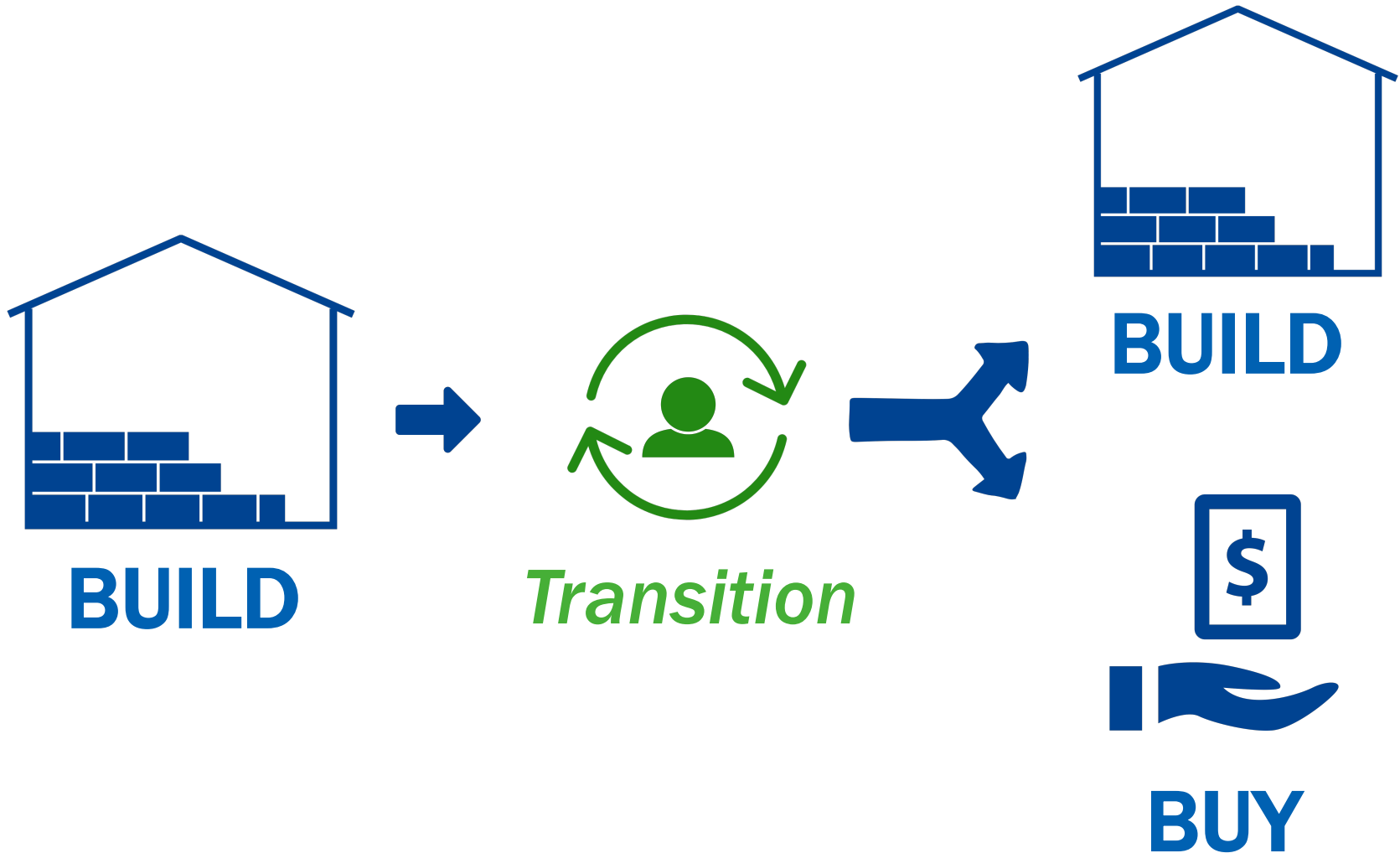
Budget size

**Total number of
employees**

**Complexity of
revenue streams**

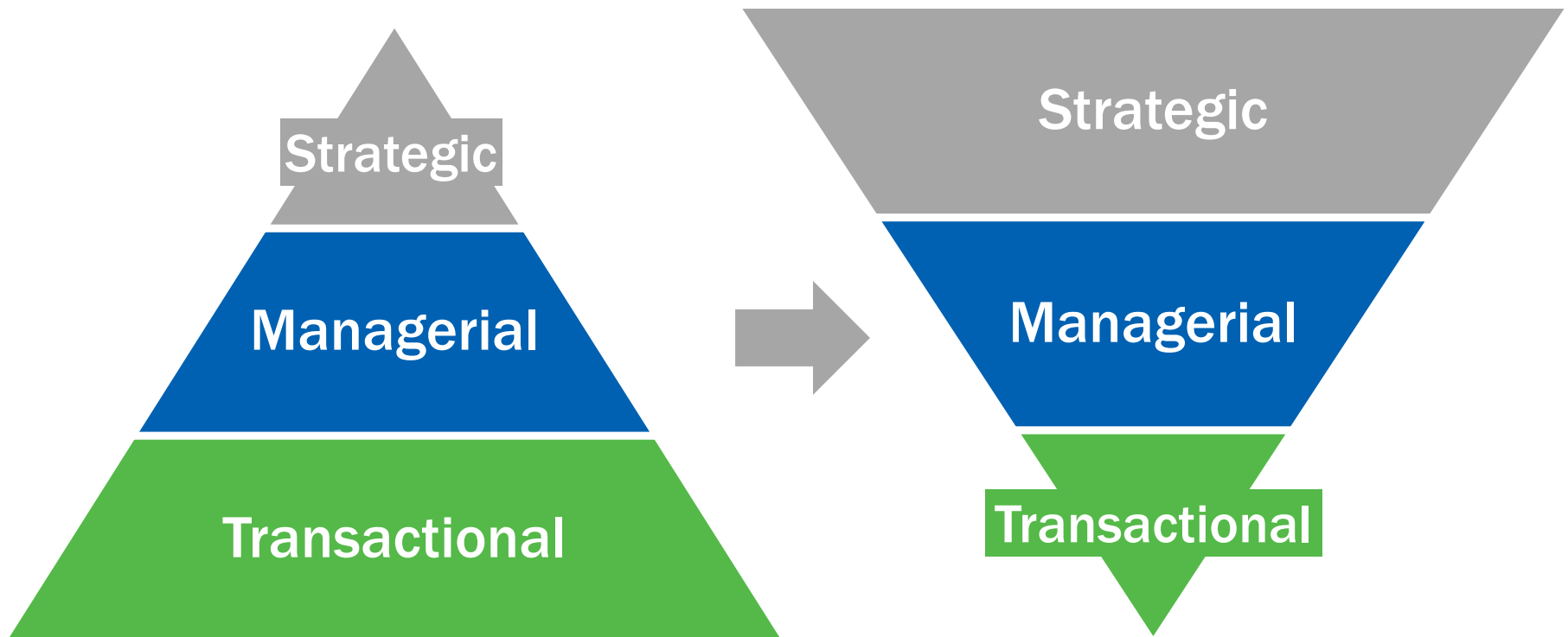
**Number of
government
grants &
contracts**

As Your Organization Grows . . .



*How should technology
change our approach?*

Human Capital: Functional Levels

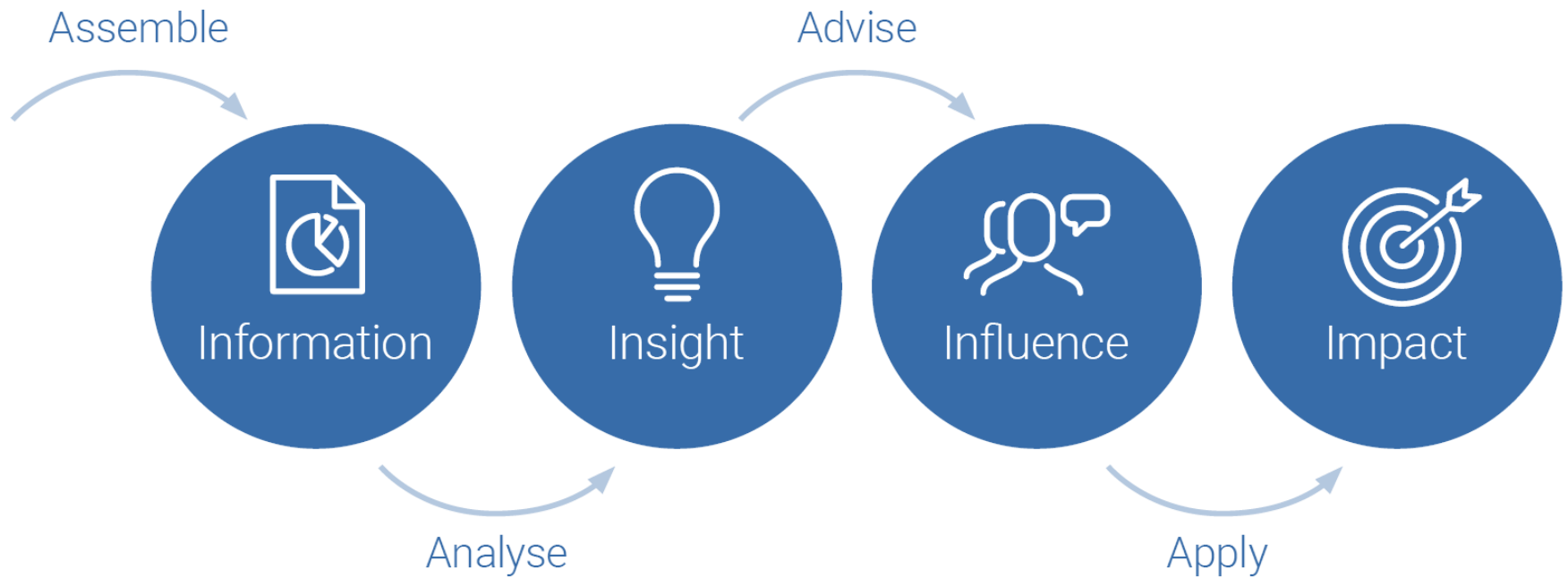


Adapted from the following sources:

Jeanne Bell and Elizabeth Schaffer, *Financial Leadership for Nonprofit Executives: Guiding Your Organization to Long-term Success* © 2005

Betty Ferreira, "Finance Digital Transformation for Not-for-Profits," ReStructure Consulting

Finance: From Information to Impact



CGMA Competency Framework: 2019 Update

<https://www.cgma.org/content/dam/cgma/resources/tools/downloadabledocuments/cgma-competency-framework-2019-edition.pdf>

Poll

Has Your Organization Automated a Workflow Process in the Past Year Using a Technology Solution?

- Yes
- Yes, but implementation is still in process
- No

Automation in Finance

**Check
Writing**

**Expense
Management**

**Cash
Receipts**

Finance Technology: Check Writing

Automated Check Writing Services (such as Bill.com) provide

- Automated invoice approval workflow that be accessed via any computer or mobile device
- Integration with accounting software
- Elimination of the manual process of cutting and mailing checks

Automated Expense Management



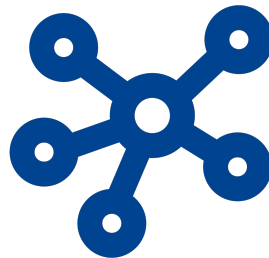
Web-based, mobile
access



Scan or take a picture of
receipts/documentation



Electronic approval
routing



Direct connections to:
Credit Cards, Payroll,
Accounting System



Electronic audit trail

Finance Technology: Cash Receipts

Technology that facilitates fundraising

- Donations via text message
- Mobile bidding at auctions
- Mobile payment solutions (for example: Square)
- Integration with online giving platforms



“Upskilling” Your Staff

Upskilling

When an organization invests in training programs that help staff develop new abilities and minimize skill gaps

Why it Matters

- Nature of jobs is shifting
- Employees increasingly expect opportunities to learn
- Can help increase employee engagement and retention

Methods

- Mentoring and shadowing
- In-person or online training

*How do I know if a
change is needed?*

*Where do I begin with
implementing change?*

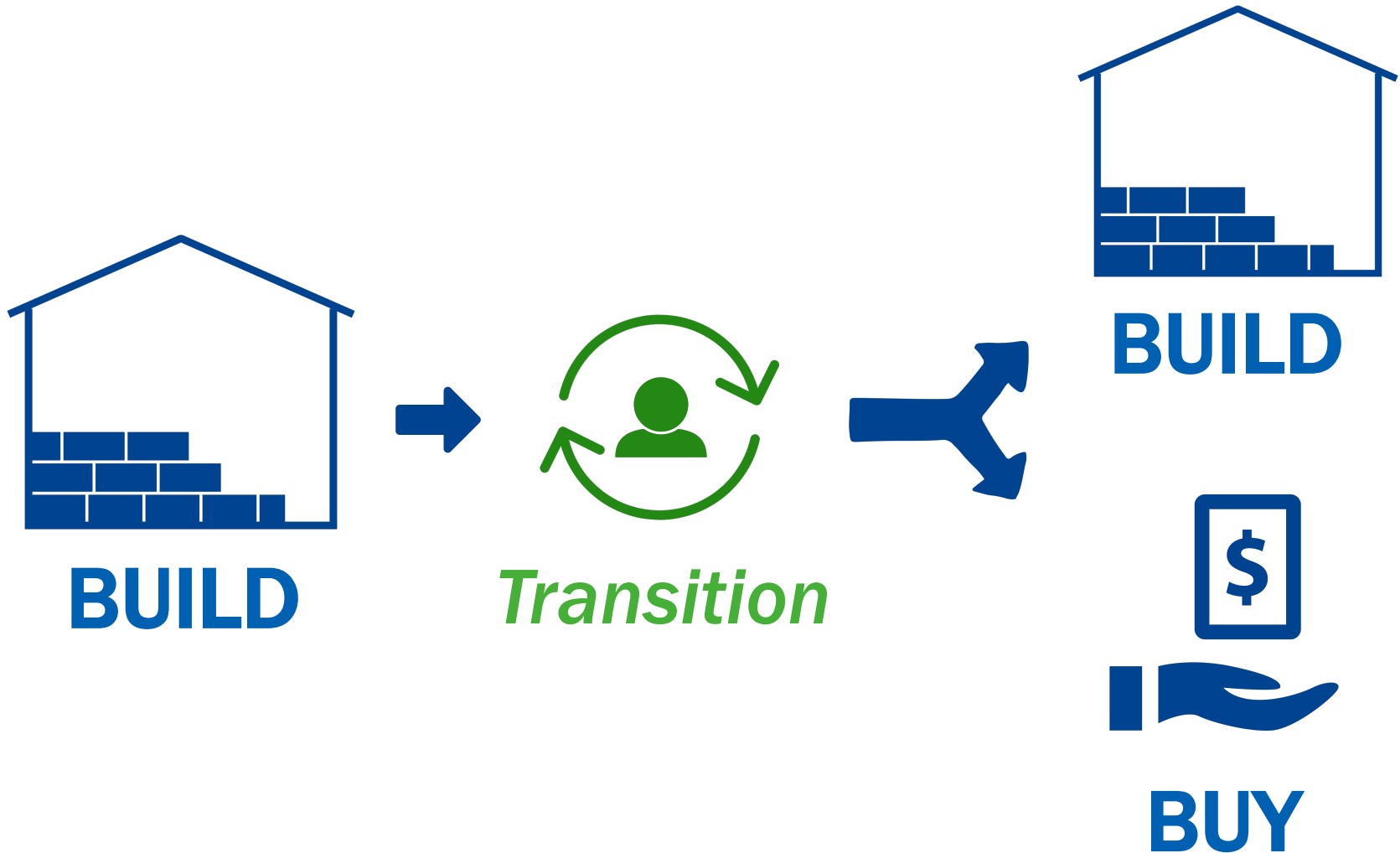
When is a Change Needed?

- Time of Actual or Anticipated Growth
- Period of “Rightsizing”
- When Technology Systems are in Need of an Upgrade

The Change Process

- Conduct a **needs assessment**
 - Incorporate feedback from staff across the organization. Bring the team (inside and outside of finance) together to identify pain points
 - Consider the right balance for your organization's growth stage
 - If you need it, seek outside advice to help get through it
- Develop and communicate a **plan** and a **timeline**

As Your Organization Grows . . .



The Change Process

Building an in-house function

- Develop/revise job descriptions
- Transition existing staff into newly defined roles focused on higher-level work
- Stage new hires appropriately

Outsourcing the function

- Consider which functions to outsource
- Evaluate multiple providers
- Designate an in-house relationship manager

Support in the Change Process

- Consider engaging temporary help (i.e. a **Transitional CFO**) who can
 - Act as a strategic coach
 - Assess and facilitate infrastructure change
 - Allow needed time for recruiting permanent positions

Factors for Success

- Acknowledging, at a leadership level, that **change takes time**
- Spending adequate time thinking through the overall **design of the function** *before* making a staffing decision
- Recognizing that **one person** may not be able to operate on **all three levels** (i.e., strategic, managerial, transactional)
- In high growth organizations, recognizing in time that different sub-functions within finance **require different skill sets**
- Understanding that **grants management** is a thing unto itself

Questions?

Poll

What action might you take based on what you learned today?
(check all that apply)

- Implement technology to automate a finance process
- Create a plan to “upskill” staff in the finance area
- Conduct a needs assessment of the finance function
- Consider bringing in a transitional CFO
- Other

Resources

Resources

StrongNonprofits.org

In collaboration with the Wallace Foundation, FMA has created a library of tools and resources to help organizations become “fiscally fit”

Four Topic Areas: [Planning](#) | [Monitoring](#) | [Operations](#) | [Governance](#)

Webinar: [Guided tour of StrongNonprofits.org:](#) Nov 5, 2019: 2:00-3:00PM ET

The screenshot shows the homepage of the StrongNonprofits.org website. At the top, a green navigation bar contains the text "The Wallace Foundation / Knowledge Center / Resources for Nonprofit Financial Management" and links for "Share", "Print", and "Email". Below this, the main heading "Resources for Nonprofit Financial Management" is displayed in a large, purple font. A search bar with the placeholder text "Search Financial Management Resources" and a "GO" button is positioned to the left of a large image showing a group of people in a meeting. Below the search bar and image, a horizontal menu with seven tabs is visible: "Overview", "Planning", "Monitoring", "Operations", "Governance", and "All Resources". The "Planning" tab is currently selected. On the left side, under the heading "SHOW:", there are three checked checkboxes: "General Resources", "Tools and Templates", and "Case Studies". The main content area on the right features the heading "Planning Resources for Nonprofit Financial Management" followed by a paragraph: "Good planning finds the most effective ways to deploy your organization's resources – and meet your overall objectives. Materials here include help with budgeting, cost calculations and cash projections."

The Wallace Foundation / Knowledge Center / Resources for Nonprofit Financial Management

Share | Print | Email

Resources for Nonprofit Financial Management

Search Financial Management Resources **GO**

Overview Planning Monitoring Operations Governance All Resources

SHOW:

- ☒ General Resources
- ☒ Tools and Templates
- ☒ Case Studies

Planning Resources for Nonprofit Financial Management

Good planning finds the most effective ways to deploy your organization's resources – and meet your overall objectives. Materials here include help with budgeting, cost calculations and cash projections.



- Established in 1999 to serve not-for-profit organizations around the country
- Provides customized financial management, accounting, software, organizational development, and other consulting services
- Works directly with organizations or through funder-supported management and technical assistance programs

FMA exists to build a community of individuals with the confidence and skills to lead organizations that change the world

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