

J.A. Strategies, LLC & **Alan Krieger**

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Managing Funds Responsibly

**for Victim Assistance Programs Funded by:
New York State Office of Victim Services**

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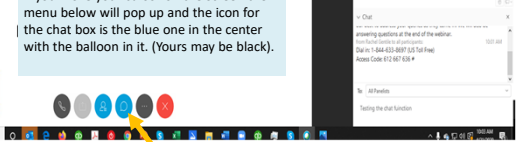
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Accessing the Chat Feature

If you move your cursor on the screen the menu below will pop up and the icon for the chat box is the blue one in the center with the balloon in it. (Yours may be black).

Chat box is below
Send chat to
"all panelists"



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The OVS Fiscal Resilience Webinar Series

October 7	1:00 p.m.	Creating a Fund Development Plan
November 5	11:00 a.m.	Engaging Your Board and Volunteers in Building Community Support
December 1	1:00 p.m.	Writing a Strong Grant Proposal
January 5	11:00 a.m.	Managing Funds Responsibly – Fiscal Management for Program Managers

Visit ovs.ny.gov/training for future programs!

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Slides for This Webinar

A link to slides for this webinar is being shared in the webinar chat now



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Workshop Objectives:

You will better understand:

- Basic financial management terms and concepts
- The roles of Executive, Program & Fiscal Staff, and Board
- Creating budgets that accurately reflect your operation
- How to use a budget to improve agency management
- Basic Fiscal Reports
- Using data to support decision making

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POLLS

1. How Knowledgeable Are You Re: Financial Management?



- A. Very knowledgeable
- B. Somewhat knowledgeable
- C. Very little understanding

2. What is Your Role in Your Organization?

- A. Senior Leadership
- B. Program Supervisor
- C. Fiscal staff
- D. Other staff
- E. Board member

3. Do you work for a:

- A. Non-profit agency
- B. Public (government) agency
- C. Private for-profit company

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CHAT IN

To ALL Panelists

What questions do you have about Financial Management?

(We'll answer them as we go along, feel free to keep chatting them in.)







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Profits in a Non-Profit?
Chat in:

Can a non-profit show a profit?




How much money can a non-profit accumulate?

Don't think of your organization as a non-profit, think of it as a business that is exempt from taxes.

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What are the goals of the Financial System?

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Goals of Financial System:

1. Accurately record all financial transactions
2. Provide a system of checks and balances
3. Provide data to:
 - Assist board with Fiduciary Responsibility
 - Assist staff with fiscal management
 - Report to regulators, funders
 - Assist with budget and grant development
 - Support loans/lines of credit with banks

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Leadership



- Setting a vision/direction
- Acting strategically/big picture



- Roles for board and staff
 - Board at broad, strategic level - oversight
 - Staff at operational, tactical level - management




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Program Manager/Leader Fiscal Responsibilities

- Comply with policies, procedures and standards (internal, budget, regulator, funders)
- Develop and manage/monitor budget
- Report accurately and timely
- Read and understand key reports
- Develop and recommend annual budget
- Faithful to the Mission – Exempt Purpose

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Basic steps in the bookkeeping/ fiscal recordkeeping process

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Mystery #1:

The agency can earn income
and not receive any money!




- Income (revenue) comes in
 - Cash or checks
 - A receivable (get the credit now, the cash later)
 - In-kind


Accrual accounting vs.
cash basis accounting

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Mystery #2:





The agency can incur expenses
and not spend any money!

Expenditures are recorded as:



- Expenses
- In-kind
- Payables


Liability: *Something you owe someone else*

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Mystery #3








Money can go out of the bank account...
and there's no expense!

Assets:

- *Something of value*
- *Exchange cash for tangible equipment... no EXPENSE*




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FINANCIAL MANAGEMENT SYSTEM

- Board sets the budget
- Staff manage income & expenses
- Bookkeeper records transactions

Records should balance:



- Bank reconciliation
- Balance sheet
- P&L – profit and loss statement

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Key Terms:

• Income / Revenue	• Liabilities
• Receivable	• Accrual vs. cash accounting
• In-kind	• Debit
• Expenses	• Credit
• Payables	
• Assets	

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POLL QUESTION

Please take a moment to register how well you are following the presentation so far.

Are you:

- Easily following everything?
- Mostly following but have a few questions?
- Pretty confused but getting the general gist?
- Totally confused?



If you are confused, please chat in some questions.

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Budget: First Step in the Fiscal Cycle



- Strategic Document
 - Provides focus
 - Budget is Policy
- Requires deliberate planning and development
 - Program vs. Organization Budgets
- Addresses revenues, expenses & cash flow

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Budget Development - Expenses



- Have a clear description of the program:
 - Deliverables/outputs/outcomes
 - Number of units of service to provide
 - Number of staff needed
 - Supplies/equipment/facilities needed; travel expenses
- Work with fiscal staff to:
 - Clarify salary and fringe benefit costs
 - Allocate overhead costs: shared space, equipment, administrative costs

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Allocation



- How expenses are shared among programs.
- This can be based on:
 - The # of staff in each program and the percent of the total staff it represents
 - The amount of funding each program receives and the percent of total funding it represents
 - The total square footage each program occupies and the percent of total it represents

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Budget Development – Revenue



- What sources are fairly definite?
- Will that be enough to:
 - Fully fund your program?
 - Fund the core components?
- What additional sources might you tap?
- Can you raise some funds yourself?
- Compare revenue to expenses and work to have them balance.

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Budget Process Reminders

- Start early!
- Be clear in your budget goals
- Identify existing or potential gaps
- Re-examine all revenue lines
- Be realistic
- Match budget to mission
- Include contingencies






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Creating and Implementing your Budget

Involve staff at all levels in the budgeting process!




- Provides transparency
- Builds leadership skills and ownership
- Takes advantage of staff knowledge of program needs
- Prevents “management vs. staff” mindsets

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Key Financial Reports

- Income Statement
- Budget Comparison
- Year to year comparison
- Balance sheet
- Receivables








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DATA vs. INFORMATION

Take a minute to think about:

- What information do you currently get from your financial reports?
- What else would you like to know?




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Income Statement

- Reports revenue and expenses over a specific period of time

A.K.A.

- Profit and Loss Statement (P&L)
- Statement of Activities
- Statement of Revenue and Expenditures

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The Bottom Line	
Total Income	39,476
Total Expense	- 43,033
Net Ordinary Income	-3,557
Other Income	926
Net Other Income	926
Net Income (profit / loss)	-2,631
NOTE: negative numbers can also be shown in parentheses	
	-2,631 = (2,631)

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Statement of Activities	
Ordinary Income / Expense	
Income	
Service Fees	2,676
Fund Raising	1,300
Grants	<u>35,500</u>
Total Income	39,476



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Expenses	
Fund Raising Expenses	1,332
Office Supplies	249
Payroll Service Expenses	162
Payroll Taxes	3,338
Professional Fees	310
Program Supplies	391
Repairs, Maintenance & Supplies	210
Salaries	34,770
Etc.	...
Total Ordinary Expenses	39,430

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Biggest Expense?



Salaries + Payroll Taxes
 $\$34,770 + \$3,338 = \$38,108$
 = 96.5% of expenses

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Income Analysis




Compare Grant Income to Overall Income.
 $\$35,500 / \$39,430 = 90\%$

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Income Statement / Statement of Activities (Profit and Loss Statement)

- Compared to Budget - \$ and % variances
- Compared to Prior Period (prior month, prior year at same time)
- Reported for the month/quarter and year to date
- Broken out by program/department (aka "fund", or "cost center")
- Used to track grants as well



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Statement of Financial Position
A.K.A. – Balance Sheet

Assets = Liabilities + Equity (Net Assets or Fund Balance)

Net Assets = Assets – Liabilities
= Fund Balance or Retained Earnings (from prior years)
+ Net Income from immediate prior year.

By definition... it's always in balance!






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Statement of Financial Position
Types of Net Assets or Fund Balance:

Net Assets

- **Unrestricted** - Undesignated/Board Designated
- **Temporarily Restricted** - Donor or Board imposed purpose or time restrictions
- **Permanently Restricted** - Donor or Board imposed restrictions to **hold in perpetuity**





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Chat in to All Panelists

What questions do you have, and/or

What ideas have you heard today
that you will be taking back to
your agency?

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**Office of
Victim Services**

Training & Technical Assistance Request



- Training and Technical Assistance at NO COST to OVS funded VAPS
- Training, coaching and consulting can all occur remotely
- For more information:
<https://ovs.ny.gov/TTARP>




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Sample TTAR Projects

- More in-depth training for program managers on program budgeting and monitoring
- Working with administration, staff and finance office to create a budget process for the organization, including program budgeting
- Reviewing current financial reports and making suggestions for changes that paint a clearer picture of the organization's and individual program's operations

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Questions & Concerns?

Type them into the Chat Box

Or Email us later:

- jennifer@JAstrategies.com
- alan@KriegerSolutions.com




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**Thank You
for your time and
participation!**

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