



Nonprofits:

We're Here to

Help YOU

Getting Started: Financial Management for New Organizations

THURSDAY, MAY 4, 12PM – 1:00PM | FACILITATOR: WENDY SELIGSON



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Getting Started:

Financial Management for New Organizations

May 4, 2023



Jewish Community Council of Greater Coney Island's

NonProfit Help Desk

bit.ly/registerNPHD

We focus on small and emerging nonprofits, offering:

Workshops * Training * Consulting

2,500 organizations have worked with us, benefiting from support in:

- financial management
- fundraising
- governance
- human resources
- management & operations
- marketing and social media
- strategic planning
- technology



WELCOME

- Facilitator welcome and introduction
- Introduce yourselves in the chat – name, org, title
- Participant Polls



AGENDA

- Financial management overview
- Key financial roles
- Getting started
 - Creating records
 - Budgeting
 - Monitoring financial results
 - Managing cash flow



Overview

- What is financial management?
 - Making a financial plan to achieve your goals
 - Monitoring how you are doing against the plan
 - Making changes, as needed, to stay financially healthy



Overview

- How is this accomplished?
 - Keeping records
 - Creating a financial plan or budget
 - Monitoring results using regular financial reports
 - Managing your cash flow – remember “cash is king”



Overview

- Why is financial management important? So that you
 - Know where you stand & can adapt
 - Get on the same page with Board, staff, funders
 - Comply with government requirements



Overview

- What are some key financial compliance requirements?
 - Annual federal 990 IRS filing (regular, EZ or Post Card) by 501c3 orgs
 - Annual state financial rpt (CHAR500) by charitable orgs operating in NYS
 - Regular financial reports by orgs receiving city, state or federal government funds



Working together

Is financial management a solo activity?

- No. It's a team sport!
- It takes good, open communication between all of these roles!



What are key financial leadership roles for new organizations?

Executive Director	Brings the vision, programmatic plan and fundraising
Board Treasurer	Creates the financial plan Produces regular reports
Board President	Monitors financial results Provides updates to the full Board with the Treasurer
Board	Reviews budget Monitors financial reports to make sure things are on track

What are key financial staff/consultant roles for new organizations?

Bookkeeper	Pays the bills Keeps day-to-day financial records
Accountant	Assists the Treasurer to: Keep the books Prepare financial reports
Program Leaders	Develop detailed programmatic plans Identify key expenses Monitor program financial results

Small group discussion

- Who in your organization is responsible for financial management?
- What do they do?
- Do you have a Treasurer?
- Have you hired a bookkeeper?
- What is your plan to fill open financial roles?



GETTING STARTED: FINANCIAL MANAGEMENT BY NEW ORGANIZATIONS IN ACTION



CREATING RECORDS

WHO IS RESPONSIBLE?

KEY ROLES	RESPONSIBILITIES
Board Treasurer	Sets up record keeping systems. Keep records if needed
Bookkeeper	Keeps day-to-day records
Accountant	Keeps month-end accounting records as the books become more complex; may also be the bookkeeper

CREATING RECORDS

WHAT TYPES OF RECORDS ARE CREATED? HOW?

TYPES OF RECORDS	TOOLS
Income Expenses Assets – cash, equipment Liabilities – loans, bills owed	Accounting software like Quickbooks or Aplos (excel spreadsheets may be used at the very beginning) Codes for financial records (known as a Chart of Accounts)



CREATING RECORDS



The screenshot shows a video player interface for a QuickBooks tutorial. The video title is "How to Manage Expenses in QuickBooks". The main content is a "Bill" form for a vendor named "Wholesale". The form includes fields for "Mailing address", "Terms", "Bill date", and "Due date". A "BALANCE DUE" of "\$0.00" is displayed in the top right corner. Below the form is a table for "Account details" with columns for "#", "ACCOUNT", "DESCRIPTION", and "AMOUNT". The table contains two rows with account numbers 1 and 2. At the bottom right of the form, the "Total" is shown as "\$0.00". A "Memo" field is visible at the bottom left of the form, with a "MORE VIDEOS" overlay and an attachment icon. The video player controls at the bottom show a play button, a progress bar at 0:34 / 3:20, and a "Make recurring" button. The QuickBooks logo is in the bottom right corner of the video frame.

CREATING RECORDS



Bank and Credit Cards | Checking (1234)

Checking (1234)
\$5,432.10
BANK BALANCE Moments ago
\$0.00
IN QUICKBOOKS 23

For Review | In QuickBooks | Excluded

Batch actions All(23) Recognized(12)

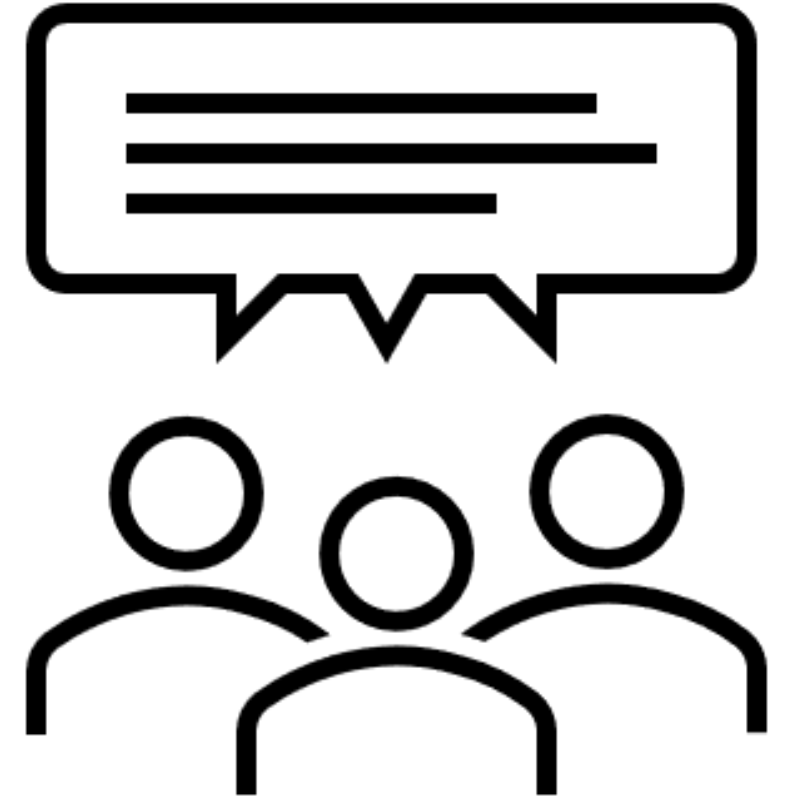
	DATE	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
<input type="checkbox"/>	04/06/2017		Office Depot	Office Supplies	\$25.00		Add
<input type="checkbox"/>	04/10/2017	Restaurant	Bob's Burger Joint	Meals & Entertainment	\$15.00		Add
<input type="checkbox"/>	04/15/2017	Gas	Chevron	Gas & Truck	\$62.00		Add
<input type="checkbox"/>	04/19/2017		Costco	Uncategorized Expense	\$350.00		Add
<input type="checkbox"/>	04/25/2017	Lodging	Motel 5	Travel	\$218.60		Add
<input type="checkbox"/>	04/26/2017	Hardware	Hick's Lumber	Job Supplies	\$646.00		Add
<input type="checkbox"/>	04/30/2017		Joe's Machinery	Rental Equipment	\$490.00		Add

MORE VIDEOS

2:42 / 3:20

Let's hear from you.

What are your questions, challenges and solutions around creating financial records?



BUDGETING

WHO IS RESPONSIBLE?

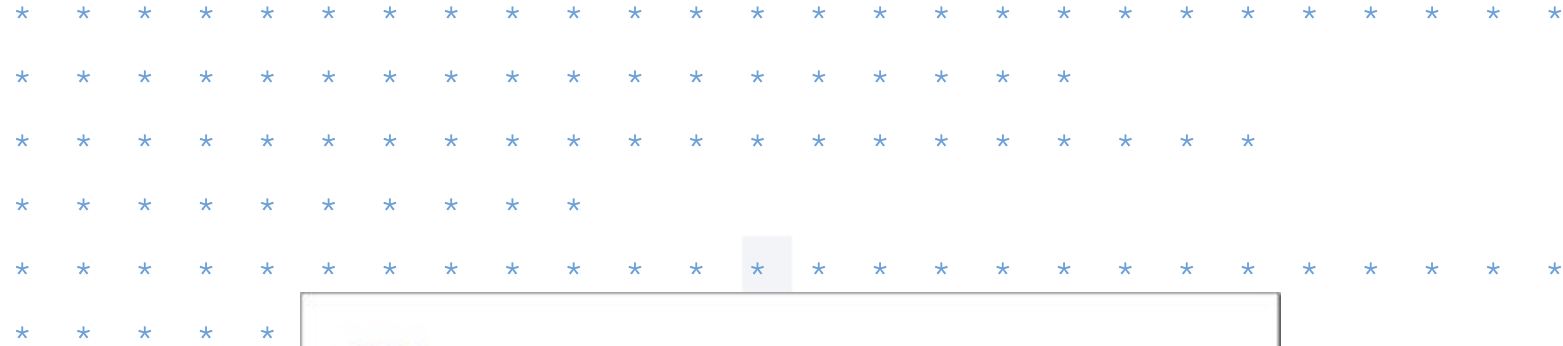
KEY ROLES	RESPONSIBILITIES
Board Treasurer	Leads the budget process
Executive Director & Executive Team	Develops the organizational plan Review and refine budget drafts
Program Leaders	Develop program plans
Bookkeeper	Provides historical cost info
Board	Reviews and approves the final budget

BUDGETING

WHEN IS THE BUDGET CREATED? HOW?

BUDGET TIMELINE	TOOLS
<p>Often takes 2 to 3 months to complete the budget.</p> <p>Treasurer provides the timeline.</p>	<p>Typically, budgets are created in excel spreadsheets.</p>

BUDGETING



BDO BDO FMA

Enter data into yellow cells only

Position or Expense Category	Staff Line	Budget	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6	Program 7	Administration	Fundraising	Total
PERSONNEL												
Full Time												
Enter Fringe Rate for FT Staff Here:			%	%	%	%	%	%	%	%	%	
100%	\$											000000
100%	\$											000000
100%	\$											000000
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100%	\$											000000
100%	\$											000000
100%	\$											000000
Total Full Time Salaries/Wages	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Full Time Fringe	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Part Time												
Enter Fringe Rate for PT Staff Here:			%	%	%	%	%	%	%	%	%	
	\$											000000
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Total Part Time Salaries/Wages	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Let's hear from you.

What are your questions, challenges and solutions around creating the organization's budget?



REPORTING & MONITORING

WHO IS RESPONSIBLE?

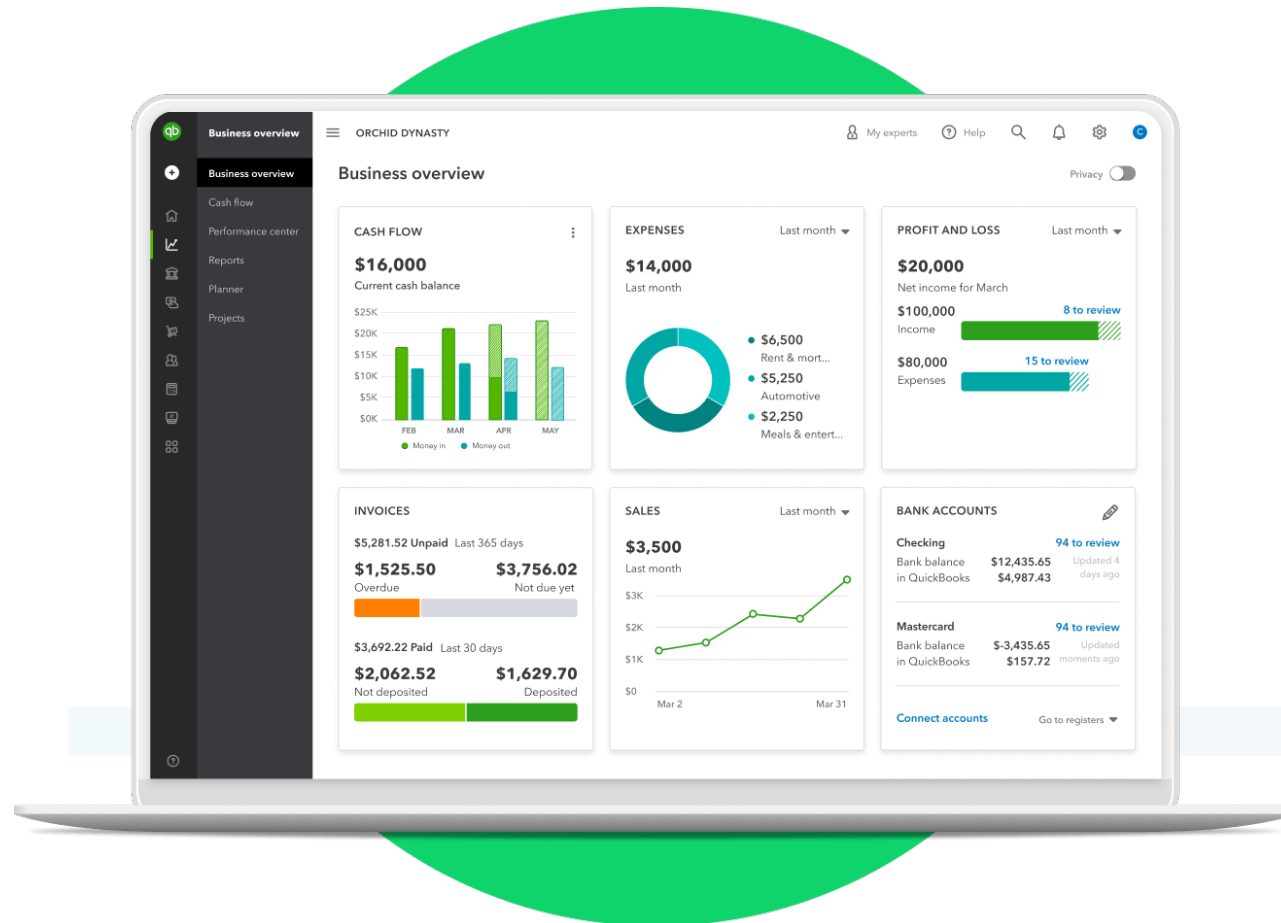
KEY ROLES	RESPONSIBILITIES
Board Treasurer - May be assisted by the Accountant	Produces monthly/quarterly reports Explains results
Executive Director & Executive Team - Possibly assisted by Program Leaders	Review reports Propose changes to the financial plan if needed (commonly expense cuts or delays)
Board and Board Treasurer	Suggest and/or approve changes to the financial plan

REPORTING & MONITORING

WHAT TIMELINE AND TOOLS ARE USED?

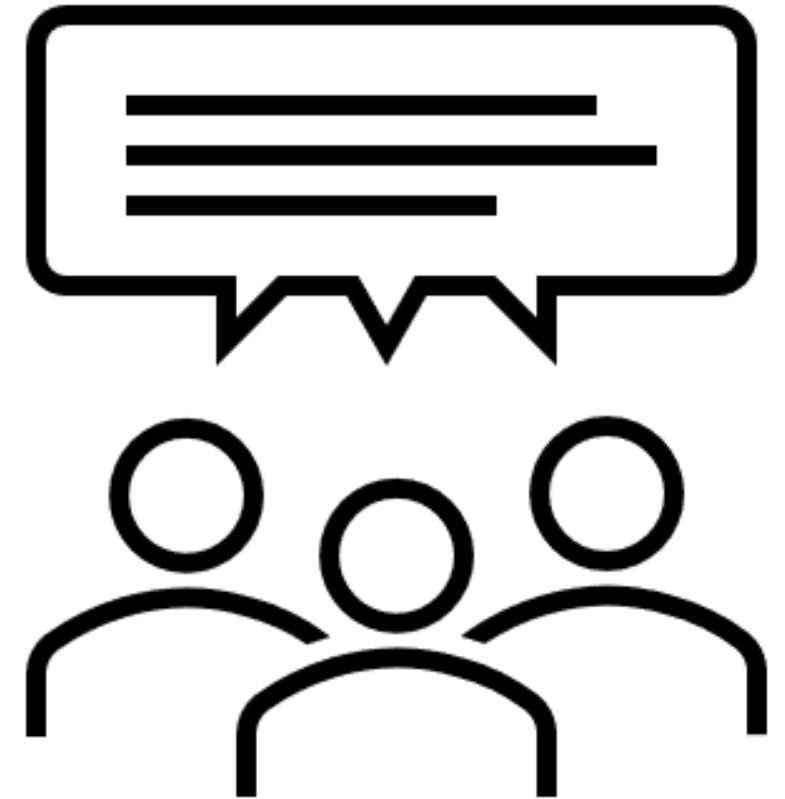
TIMELINE	TOOLS
Monthly reports for the Executive Director & Team	Reports from accounting software are preferred; data comes directly from the records
Monthly (or Quarterly) reports for the Board	Reports in excel may be used; the transfer of data to excel reports can result in errors so needs careful monitoring

REPORTING & MONITORING



Let's hear from you.

What are your questions, challenges and solutions around reporting and monitoring?



MANAGING CASH FLOW

WHO IS RESPONSIBLE?

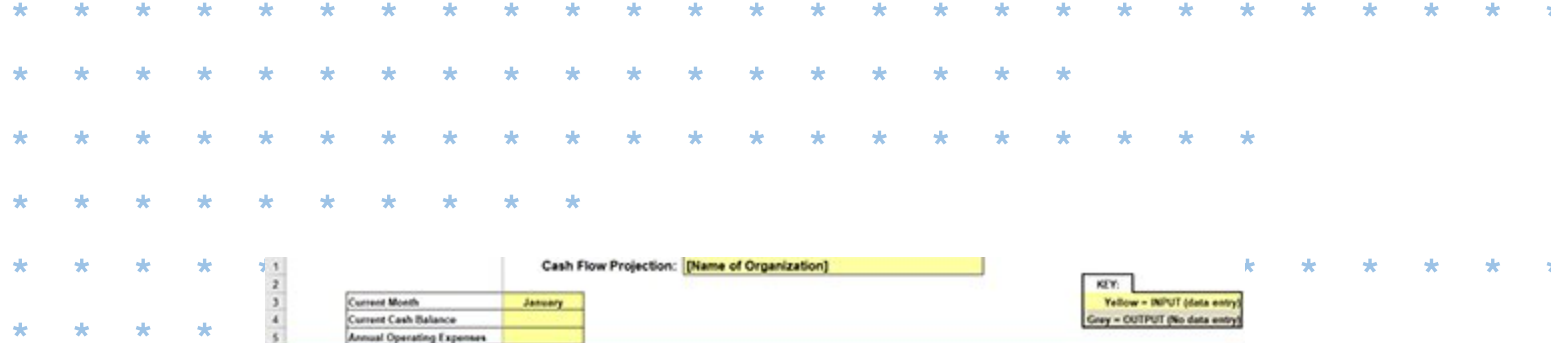
KEY ROLES	RESPONSIBILITIES
Board Treasurer and/or Executive Director - May be assisted by the Accountant	Monitors cash on hand in bank account(s) Plans for upcoming payments based on cash available
Board President	Monitors cash flow based on reports from Board Treasurer and/or Executive Director
Board	Monitors cash flow as needed

MANAGING CASH FLOW

WHAT TIMELINE AND TOOLS ARE USED?

TIMELINE	TOOLS
<p>Depends on the situation.</p> <p>Could monitor as frequently as daily; at a minimum monthly</p>	<p>Cash flow excel spreadsheet. One good resource is the StrongNonprofits Toolkit.</p>

CASH FLOW



Cash Flow Projection:

KEY:
 Yellow = INPUT (data entry)
 Gray = OUTPUT (No data entry)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
CASH RECEIPTS													
Contributions & Support													
Foundations													\$
Corporations													\$
Individual contributions													\$
(additional line item)													\$
Government Contracts													
Federal													\$
State/Local													\$
(additional line item)													\$
Other Revenue													
Investment income													\$
Program service fees													\$
Special events													\$
Miscellaneous													\$
(additional line item)													\$
(additional line item)													\$
(additional line item)													\$
(additional line item)													\$
(additional line item)													\$
Total Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH DISBURSEMENTS													
Monthly operating expense estimate													\$
Adjustments (+ / -)													\$
Total Cash Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess (Shortfall) from operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAPITAL AND FINANCING													
Cash Receipts													
Cash received from loans/financing													\$
Cash received from credit line													\$
Transfers from savings/investments													\$
Cash Disbursements													
Capital purchases													\$

Let's hear from you.

**What are your
questions, challenges
and solutions around
managing cash flow?**



GETTING STARTED: FINANCIAL MANAGEMENT FOR NEW ORGANIZATIONS

TAKE AWAYS

- **Basic elements:**
 - Keeping records
 - Creating a financial plan or budget
 - Monitoring results using regular financial reports
 - Managing your cash flow – remember “cash is king”
- **Who has a financial role**
 - *Leadership:* Executive Director, Board Treasurer, Board President & Board
 - *Key Staff/Consultants:* Bookkeeper, Accountant, Program Leaders



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Q & A

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Nonprofits:

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Register for Upcoming NonProfit HelpDesk Workshops

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Nonprofits:
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Thank you!

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