

**BE IN A POSITION OF STRENGTH<sup>SM</sup>**

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# **NAVIGATING YOUR SHIP IN A TURBULENT ECONOMY**

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**DISCUSSIONS ON OPERATING EFFICIENCIES**



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Certified Public Accountants and Consultants  
New Jersey. New York. Pennsylvania. Maryland. Florida. Colorado.

# OUTLINE



- Importance of Controls, Efficiency and Governance in a Turbulent Market
- Using the Business Strength Analyzer as an Aid for Decision Making
- Key Issues facing Not-for-Profit and Healthcare Industries

# IMPORTANCE OF CONTROLS, EFFICIENCY AND GOVERNANCE



- Extreme competition for every dollar
- Stakeholder demands
- Image/reputation critical
- Audit vs. Review
- Measurement guidelines – admin and fundraising costs
- Staffing to match needs and controls

# IMPORTANCE OF CONTROLS, EFFICIENCY AND GOVERNANCE



## Best Practices Policies that should be in place

- Mission Statement
- Board member induction policy
- Accounting policies and procedures
- Values Statement
- Conflict of interest policy
- Investment policy
- Code of ethics
- Record retention
- Whistleblower policy

# USING THE BUSINESS STRENGTH ANALYZER AS AN AID FOR DECISION MAKING



- Timely and accurate information to leader(s) for decisions and controls
- Dashboard reporting - benchmarking
- Focus on issues - identification and status

# KEY ISSUES FACING INDUSTRIES:

## BILLING/CASH RECEIPTS PROCESS



### Not-for-Profit

- Timely Grant Applications
- Timely recording of and collection on pledges / contributions

### Healthcare

- Billing, coding and reimbursements
- Insurance submission and tracking

# KEY ISSUES FACING INDUSTRIES: PURCHASING AND CASH DISBURSEMENTS



## Not-for Profit

- Mailing lists
  - Clean up
- Diligence on payments to others
- Approved disbursement controls
  - Spending by program
  - Fundraising costs
  - Administrative costs

## Healthcare

- Coop buying agreements
- Vendor negotiation

# KEY ISSUES FACING INDUSTRIES: FUNDING ACTIVITIES



- **Investment income**

- Significant losses
- Create investment policies
- Qualified investment advisor and diligence

- **Fundraising Activities**

- Establishing measurements
  - Fundraising costs vs. funds raised
  - Management and general vs. funds raised
- Track by program
  - Elimination of programs
- Internal vs. external
- Understanding donor needs

# KEY ISSUES FACING INDUSTRIES: OTHER EXPENSES TO FOCUS ON



- People
  - Impact of furlough, layoff, salary reduction
- Benefits
  - 401k match
  - HC Insurance
- Real Estate
- Insurance
  - Workers' Comp
  - Auto
  - D&O

# KEY ISSUES FACING INDUSTRIES: OTHER EXPENSES TO FOCUS ON



- Phones
  - Reduce lines
  - VOIP
- Utilities
- Subscriptions and Memberships
- Trade Shows
- Maintenance Contracts

# KEY ISSUES FACING INDUSTRIES: UTILIZATION OF IT



- IT underutilized in many cases
- Technology can not only support administrative, program and fundraising work, but also drive productivity
  - Need to plan and manage more effectively to identify needs
  - Hire right talent to make IT Department a more strategic asset
  - Obtain management commitment
  - Monitor and maintain as business needs evolve
  - **KEY BENEFITS**
    - Create enhanced communications with donors, target markets and internal customers
    - Streamline workflow, thus improving productivity

KEY ISSUES FACING INDUSTRIES:



QUESTIONS?