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# Financial Literacy for Executives and Non-financial Staff

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# Agenda

- Review session objectives - 2 minutes
  - Review of key issues – 35 minutes
  - Questions – 5 minutes
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# Session Objectives



Participants will learn the basis of managing a federal grant



Participants will be provided with information to help them identify red flags

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## Top Five



# Fiscal Responsibilities of Executive Staff

- 5 Ensure organization overall compliance with State and Federal regulations
  - 5 Ensure accurate, timely and complete financial reporting (Board, Audit, funders)
  - 5 Be aware of the organization's financial position (income vs. expenses, cash flow and budget to actual)
  - 5 Ensure appropriate staffing (knowledge and training) to manage fiscal responsibilities
  - 5 Ensure program and financial staff understand each other's priorities and work well together
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# Top Five



## Components of Financial Literacy






- Federal Grant Requirements
  - Basics of OMB Circulars
  - Major red flags
  - Qualities of high functioning organizations
  - Ways to use a Financial System Survey  
(And uses of financial systems survey  
with subgrantees)
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# Top Five



## Things to Know for Federal Grants

-  OMB Circulars
-  C.F.R. – “Regulations”
-  Grant Provisions or Grant Terms & Conditions
-  Reporting Requirements
-  Federal cash management requirements (HHS system)

# Top Five Basics of OMB Circulars



1. Documentation of time & attendance
2. A-133 threshold – organization A-133 requirements
3. Allowable costs
4. Indirect cost information
5. Know which Circulars apply to which organizations  
- Grantees & subgrantees may be subject to different circulars based on organization type

# Top Five Red Flags



- Late reporting
- Lack of documentation and audit trail to support claimed expenses
- Incomplete, non-existence or outdated policies & procedures
- Continual staff turnover
- Finance staff does not share accounting information, never takes vacation or provide reports from system in a timely basis





# Top Five Audit findings



- Time and activities are based on budget rather than actual costs
  - Inadequate segregation of financial duties
  - Financial reports do not reconcile (FSR / General Ledger / FCTR)
  - Out of compliance with program regulations (AC – member eligibility, hours. SC ed plans for FGP)
  - Fiscal monitoring of subgrantees and subgrantees systems is inadequate
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## Top Five



# Qualities of High Functioning Organizations

- Written & followed policies and procedures
- Effective communications
- Succession planning & cross training
- Self assessment & continuous improvement
- Active, knowledgeable and informed board and finance committees  
(at a minimum annually approves budget and reviews audit)





# Top Five Ways to Use a Financial System Survey

1. Determine potential areas of risk
  2. Identify missing policies, forms knowledge or actions
  3. Help to prioritize action steps
  4. Determine technical assistance needs
  5. Ensure management has understanding of the organizations financial systems
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## Top Five



# Uses of a Financial Systems Survey with Sub-grantees or Sites

1. Identify grantee's risk level
  2. Help to manage staff time and resources for different grantees effectively
  3. Modify training plan to meet grantee needs
  4. Determine technical assistance needs
  5. Make funding decisions
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# In a nut shell



- 🍪 Importance of strong financial system and what that includes

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# Questions

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