### The Role of Leadership in Managing Money Effectively

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### **Embrace Change:** Building today's leaders

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### **Disclosure of Conflict of Interest**

# I / we do not have any relevant financial relationships

with any commercial interests.





### Describe how the institution develops and implements appropriate cash management practices



- Determine to have a culture of 'best practices'
  - disciplined approach
  - best personnel
- Minimum number of bank accounts
  - only authorized (board approved) signatories
- Minimize the number of petty cash boxes on campus
- Segregation of duties

- Dual signatures on checks
- Develop a daily/weekly cash balance report
- Statement of Cash Flows
  - Beg Bal, Cash In, Cash Out, Net Inflow/Outflow, Ending Bal







# Describe how to utilize data for decision-making.



»Know your organization

»Data-driven vs data-informed decisions

»Strike a balance between what your spreadsheet says and your instincts tell you

»Identify good sources of clean data

### **Five Stages of Analytical Progress**

- 1. Overreliance on Managerial Judgement Intuition and Instincts
- 2. Siloed use of data analytics in a few departments
- 3. Expanding use of data analytics with increasing collaboration across departments
- 4. Data informed/driven decision making integrated throughout the organization
- 5. Continuous improvement to the data platform



Describe the annual budgeting cycle, including accurately projecting income and expenditures.



### Budget





Write your budget process down and communicate it with the organization

Decide who should be involved

Establish a time-line ending in board approval

>List specific tasks with specific responsibilities

Ensure that you have good historical (multi-year) accounting data to work from

Provide the tools and spreadsheets that are necessary

➢Be realistic

Balance the budget with the executive leadership team and prepare for board presentation and approval

Do a monthly close and monitor and/or control spending according to the budgeted spending plan

Follow-up with department heads



### References

**1**.Harvard Business Review Analytic Services; The Evolution of Decision Making: How Leading Organizations are Adopting a Data Driven Culture. 2012. www.hbr.org

2.Non Profit Accounting Basics: The Budgeting Process. July 28, 2010. Elizabeth Hamilton Foley

**3**.Cash Flow Management 101: Steve Hochstetter, CPA; July 21, 2015





### **ANY QUESTIONS?**

