



THE CFO PERSPECTIVE

Highlights from BDO's Nonprofit
Benchmarking Survey

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With you today



Laurie De Armond

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Susan Pikitch

CFO
United States Golf Association

With you today



Laurie De Armond
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Laurie is an Office Managing Partner and National Co-Leader of BDO's [Nonprofit & Education Practice](#) and the Greater Washington, DC Practice leader for the Nonprofit & Education Practice. She has more than 24 years of experience in all phases of client service and dedicates her time to providing audit and consulting services to a wide variety of tax-exempt organizations, including public charities, private foundations, trade associations, scientific and educational organizations, and quasi-governmental and governmental organizations.

She is a regular contributor to the group's blog and quarterly newsletter, the [BDO Nonprofit Standard](#) and is a regular speaker at internal and external seminars. Laurie has served on numerous boards of directors, including a local college and currently serves as a financial expert for the audit committee of America's Charities.

Laurie received one of the 2013 Women to Watch Awards from the Greater Washington Society of CPAs (GWSCPA) for her contributions to the profession. She is a member of BDO's Inclusion Women National Strategy Group and a member of the GWSCPA Women's Initiative Steering Committee.

With you today



Adam Cole

Partner and National
Co-Leader,
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212-885-8327
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Adam is a Partner and National co-Leader of BDO's [Nonprofit & Education Practice](#) and the Managing Partner of the Greater New York Nonprofit and Employee Benefit Plan Practices. He has over 29 years of experience and has spent his entire career auditing and consulting with both nonprofit and healthcare organizations.

He is one of the founding partners of the Greater New York Healthcare Practice, which has grown from 10 individuals in 1993 to over 100 individuals today. The practice specializes in many subsets of the nonprofit industry, including services to social service organizations, International NGOs, membership organizations, foundations, higher education, and religious organizations.

Adam is a nationally featured speaker and writer on subjects such as nonprofit mergers, liquidity, board governance issues, and financial dashboards.

With you today



Susan Pikitch

CFO

United States Golf Association

Susan Pikitch joined the United States Golf Association as its first chief financial officer in June 2015, where she contributes strategic, operational and financial leadership critical to the continued evolution and success of the organization. In addition to her financial accountabilities, she runs facilities, information technology and the golfer handicap and information business (GHIN).

Pikitch brings over 30 years of diverse experience as a senior financial officer spanning various industry sectors including public accounting, financial services, media, publishing, and information services. She spent the majority of her career at public, for-profit companies, most notably Standard & Poor's/McGraw-Hill. Prior to joining the USGA, Susan was CFO for the law and business division of Wolters Kluwer, a leading global provider of solutions and expertise for legal and business compliance professionals, where she had responsibility for financial and operational functions. At Wolters Kluwer, Susan focused her efforts on transforming the company's business from a traditional print research organization to a nimble, digitally focused entity.

A native New Yorker, Susan received her bachelor of science in accounting from Brooklyn College and her MBA from the Stern School of Business at New York University. She has served on several nonprofit boards and currently sits on the LPGA Foundation Board.

Learning objectives

We will cover:

- ▶ Why financial management is critical to nonprofit sustainability
- ▶ CFO sentiment on key issues reported in our benchmarking survey
- ▶ Best practices for CFO communications





Agenda

- ▶ About *Nonprofit Standards*, Benchmarking Survey
- ▶ Nonprofit Heart, Business Mindset
- ▶ Role of CFO - Perception vs. Reality
- ▶ Bridging the Gap
 - Financial challenges
 - Overhead
 - Regulation
 - Technology
- ▶ Best Practices for Collaboration
- ▶ Key Takeaways
- ▶ Resources
- ▶ Q&A





About *Nonprofit Standards*

BDO's Benchmarking Survey

Survey goals



Provide nonprofits with a barometer for measuring performance across a variety of areas.



Address 2 persistent questions among nonprofit leaders:

- "How does my organization measure up?"
- "Are we normal?"



Help inform the critical financial and operational decisions necessary to further their missions.

About the survey



Public charities and
community foundations



College/University



Health and human
services provider



Private foundation



Cultural or arts organization



International NGO



Faith-based organization



Environmental organization



Other

METHODOLOGY

Nonprofit Standards is a national benchmarking survey of **100 nonprofit organizations** across a variety of sectors. The survey was fielded by Market Measurement, a market research consulting firm.

TOPICS COVERED

- Strategic Planning
- Operations
- Scope & Impact
- Human Resources
- Governance

About the survey



RESPONDENTS



ORGANIZATION

Nonprofits are categorized into three groups, according to their annual revenues:

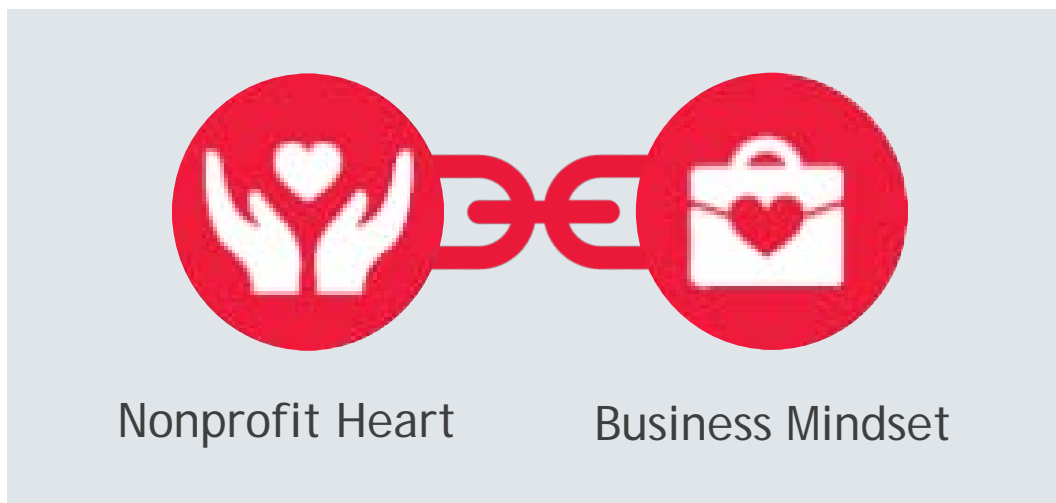
- **Midrange:** <\$25M in annual revenue
 - **Upper-Midrange:** \$25-\$75M
 - **Large:** \$76M+

	All organizations
Local	17%
Regional	30%
National	27%
International	26%

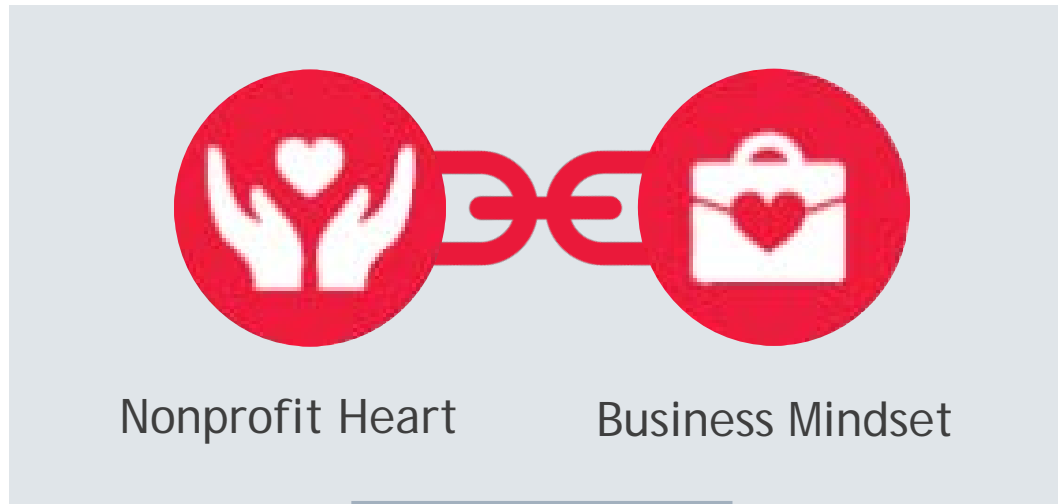
SCOPE

Nonprofit Heart, Business Mindset

Mission meets management



Nonprofit CFOs are critical leaders



Nonprofit Heart

Business Mindset

- ▶ Increase impact
- ▶ Maximize value
- ▶ Maintain stakeholder trust
- ▶ Pursue growth



Role of the Nonprofit CFO

Perception vs. Reality

Role of the nonprofit CFO



- ▶ Side gig
- ▶ Less pressure
- ▶ Less strategic
- ▶ Fewer financial challenges

Perception



- ▶ Protector of financial health
- ▶ Sustainability-driver
- ▶ Mission-focused
- ▶ Growth-focused
- ▶ Trusted by Board
- ▶ Strategic partner to executive leaders

Reality

CFO perspective

“The biggest change that we will have to undertake in the coming year is more focus on individual programs, more strategic planning, and a focus on bigger picture issues.”



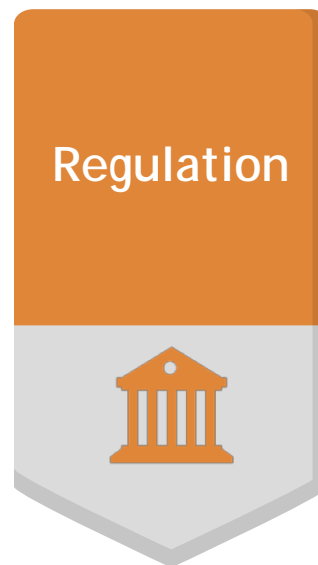
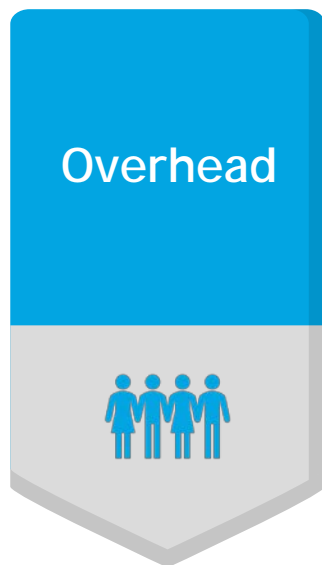
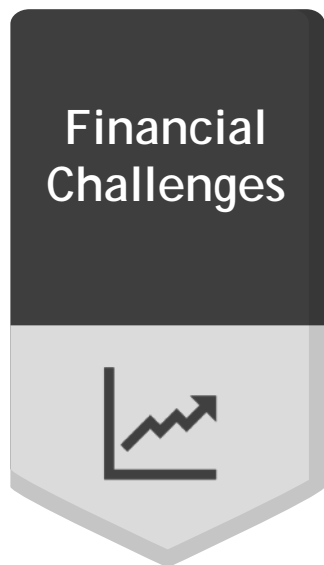


Bridging the Gap

Nonprofit CFOs and other executives see things differently

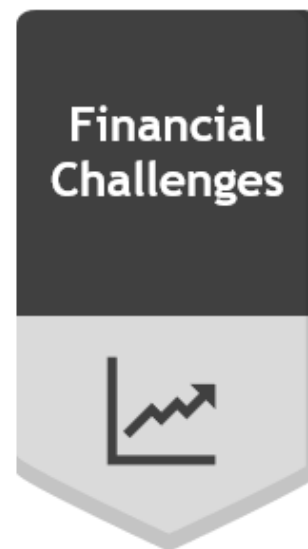
Different roles, different perspectives

Nonprofit executive leaders have unique views on:

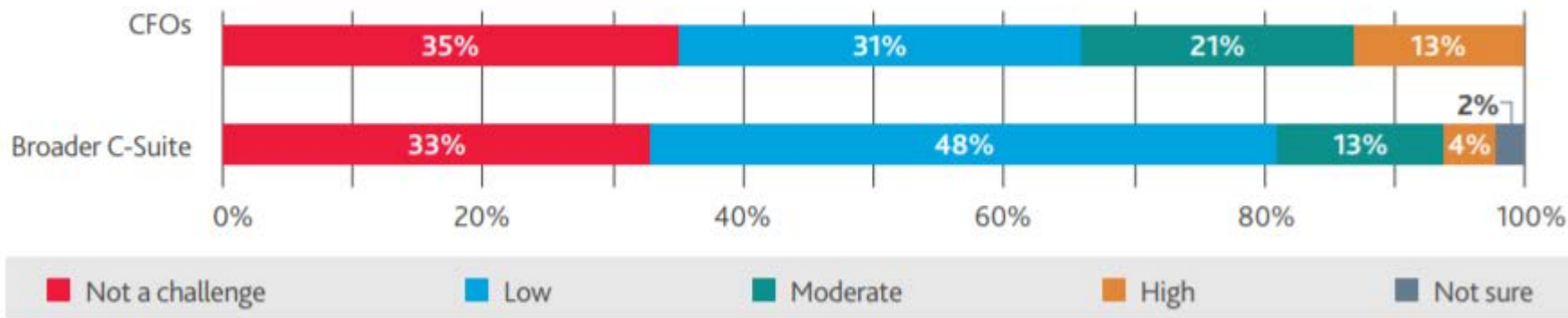


Views on financial challenges

34% of CFOs say maintaining liquidity is a moderate or high challenge, compared to 17% of the C-Suite.

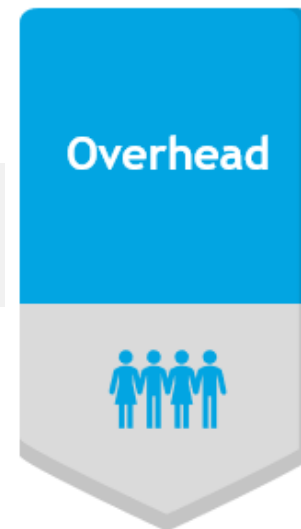


HOW CHALLENGING IS MAINTAINING ADEQUATE LIQUIDITY?

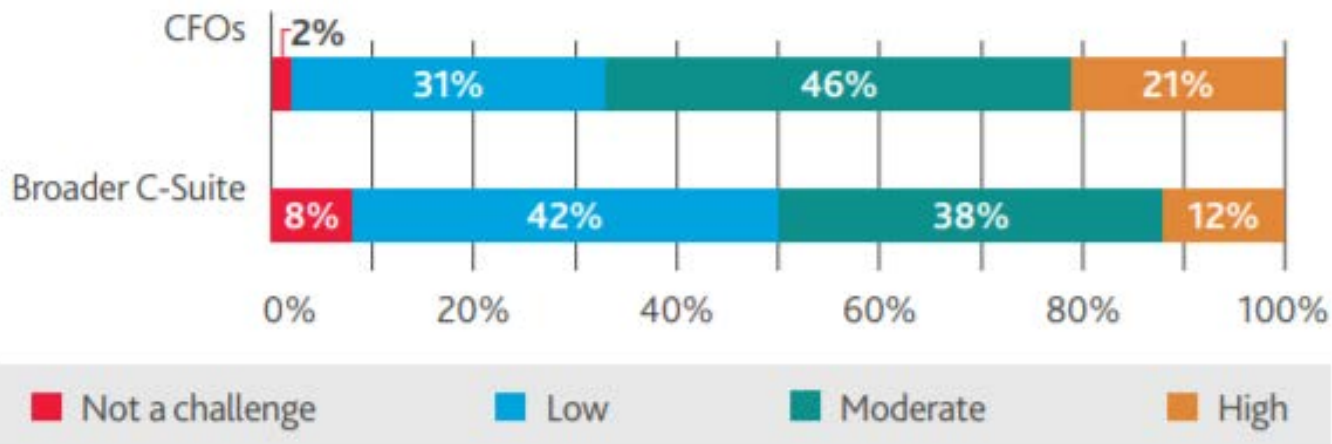


Views on overhead

Half of the broader C-Suite say that overhead costs are either a low challenge or not a challenge.



HOW CHALLENGING ARE RISING OVERHEAD COSTS?

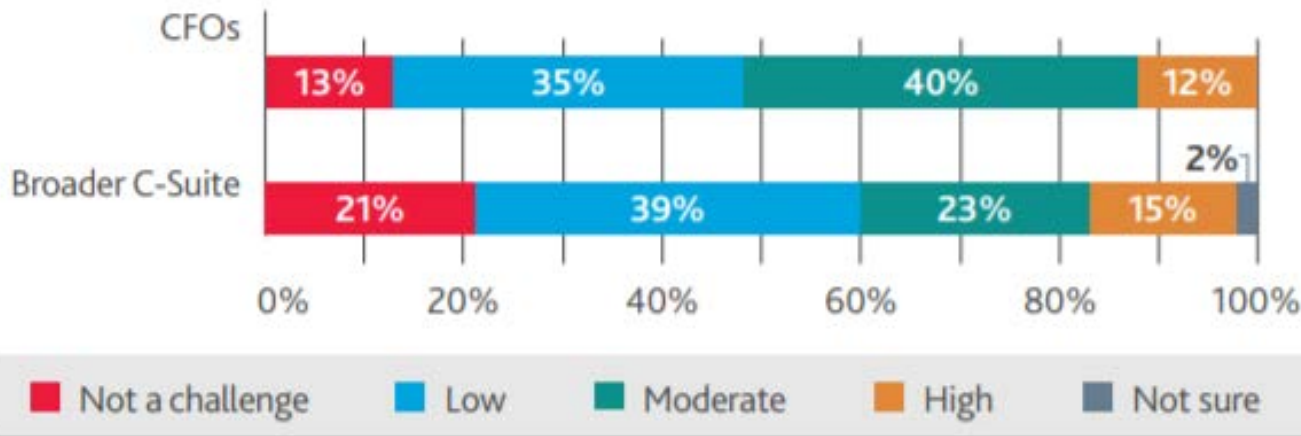


Views on regulation

CFOs appear to bear more regulatory compliance burdens than their peers.



DOES THE TIME & EFFORT REQUIRED TO DEAL WITH GOVERNMENT REGULATIONS & LEGISLATIVE CHANGES CREATE A CHALLENGE?

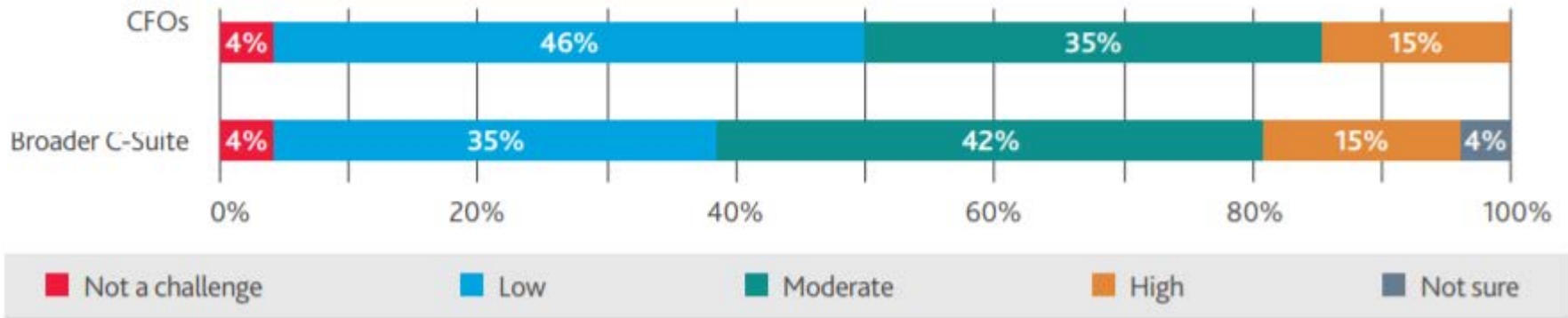


Views on cybersecurity

Cybersecurity is the responsibility of the entire organization.



HOW GREAT A CHALLENGE IS CYBERSECURITY FOR YOUR BOARD?



Best Practices for Collaboration

How CFOs can work effectively with other leaders



CONNECT DOTS

Between financial position and
mission strategy

How CFOs can work effectively with other leaders



CONNECT DOTS

Between financial position and mission strategy

COMMUNICATE EARLY & OFTEN

Avoid surprises in budgeting process

How CFOs can work effectively with other leaders



CONNECT DOTS

Between financial position and mission strategy

COMMUNICATE EARLY & OFTEN

Avoid surprises in budgeting process

FOCUS ON RISK

From cybersecurity to compliance

CFO perspective

“The mission of the National Trust for Historic Preservation is to save America’s historic places that tell the diverse story of America.”

“I work as a member of our executive team to set direction so that we can achieve our mission.”



CARLA WASHINKO

CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER
THE NATIONAL TRUST FOR HISTORIC PRESERVATION

**NONPROFIT
VOICES**

Key Takeaways

Summary



The CFO plays a critical role in making mission a reality.

Bridge perspective gaps through consistent, strategic communications.

Resources

Nonprofit resources

WANT MORE INFORMATION?

Visit our Resource Center:

<https://www.bdo.com/resource-centers/institute-for-nonprofit-excellence>

Read our blog:

<http://nonprofitblog.bdo.com/>

Email us:

Idearmond@bdo.com

acole@bdo.com

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[@BDONonprofit](https://twitter.com/BDONonprofit)



Nonprofit benchmarking resources

HOW CAN NONPROFITS BENCHMARK?

- ▶ Look at publicly available data for similar organizations.
- ▶ Gather a group of peer organizations for information sharing.

BDO CAN HELP

- ▶ [Nonprofit Standards, a Benchmarking Survey](#)
- ▶ [Assess Yourself Free Benchmarking Tool](#)
- ▶ BDO Customized Benchmarking Report
Contact a BDO professional:
Laurie De Armond, ldearmond@bdo.com
Adam Cole, acole@bdo.com



Q&A



Conclusion

Thank you for your participation!

Certificate Availability - If you logged in and participated the entire time and responded to at least 75% of the polling questions, your certificate will be emailed to you within 48 hours of the webinar.

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*If you are participating as part of group, please allow additional time for CPE processing.

BDO NONPROFIT & EDUCATION PRACTICE

For 100 years, BDO has provided services to the nonprofit community. Through decades of working in this sector, we have developed a significant capability and fluency in the general and specific business issues that may face these organizations. With more than 2,800 clients in the nonprofit sector, BDO's team of professionals offers the hands-on experience and technical skill to serve the distinctive needs of our nonprofit clients—and help them fulfill their missions. We supplement our technical approach by analyzing and advising our clients on the many elements of running a successful nonprofit organization. Please see www.bdo.com/industries/nonprofit-education/overview for more information.

BDO INSTITUTE FOR NONPROFIT EXCELLENCE

BDO's Institute for Nonprofit Excellence (the Institute) has the skills and knowledge to provide high quality services and address the needs of the nation's nonprofit sector. Based in our Greater Washington, DC Metro office, the Institute supports and collaborates with BDO offices around the country and the BDO International network to develop innovative and practical accounting and operational strategies for the tax-exempt organizations they serve. The Institute also serves as a resource, studying and disseminating information pertaining to nonprofit accounting and business management. The Institute offers both live and local seminars, as well as webinars, on a variety of topics of interest to nonprofit organizations and educational institutions. Please check BDO's web site at www.bdo.com/resource-centers/institute-for-nonprofit-excellence for upcoming local events and webinars.

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