



## **ADMINISTRATION AND MANAGEMENT NARRATIVE: FINANCIAL MANAGEMENT (FIN)**

The Administration and Management Narrative should provide an overview of key practices that contribute to the performance and productivity of your organization. The Narrative supports, but should not duplicate, evidence provided elsewhere in your self-study.

The Financial Management Administration and Management Narrative should provide the Peer Review Team with a clear, concise description of how your financial management practices help to shape, advance, and sustain your organization's mission and strategic goals.

### **Purpose Standard: Financial Management (FIN)**

**The organization's financial accountability and viability are achieved through the application of sound financial management practices that accord with legal and regulatory requirements.**

Provide responses to the following questions that address your organization's achievement of the Financial Management Purpose Standard. Highlight applicable obstacles and innovations, if any, in each of your responses.

1. Describe the overall health of your organization's finances.
  - a. Include a description of significant factors that may have impacted your organization's finances.

(e.g., enhanced or reduced program-specific funding streams, successful fundraising activities, new foundation support, etc.).

(e.g., state budget cuts have forced the organization to close one of its family counseling programs...)

**Organization's Response:**

2. Describe 2-3 actions that your governing body has taken to enhance your organization's financial viability.

(e.g., In response to recent recommendations of the organization's auditors, the board approved a plan to strengthen the organization's system of internal control...)

**Organization's Response:**

3. How does your organization's management and the governing body assure that its financial management systems are in accordance with Generally Accepted Accounting Principles?

**Organization's Response:**

4. How does your organization remain abreast of changing legal and regulatory requirements in relation to financial management practices?

**Organization's Response:**

5. Provide any additional information that would increase the Peer Team's understanding of how the organization's financial practices contribute to the achievement of its mission.

**Organization's Response:**



**Attachments:**

- a. All COA-approved NA Requests.
- b. A list of all NAs applicable to your organization provided within the standards.

**Note:**

***Organizations being accredited for the first time:*** Please provide information for the last year.

***Organizations being reaccredited:*** Please provide information for the period since the last accreditation review.



## TABLE OF EVIDENCE: FINANCIAL MANAGEMENT (FIN)

	Self-Study Documents	On-Site Documents	On-Site Activities
<b>FIN 1 Governing Body Financial Responsibilities</b>	<ul style="list-style-type: none"> <li>▪ Budget (operating budget for current fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Governing Body minutes</li> <li>▪ Fiscal summaries/analyses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. Treasurer/Finance Committee Members</li> <li>c. CFO</li> </ol> </li> </ul>
<b>FIN 2 Internal Control Environment</b>	<ul style="list-style-type: none"> <li>▪ Internal financial control procedures</li> <li>▪ Table of organization (financial management personnel only)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Governing Body minutes</li> <li>▪ Written certification by executive and financial officers (FIN 2.03)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. Treasurer/Finance Committee Members</li> <li>c. CFO</li> </ol> </li> </ul>
<b>FIN 3 Financial Risk Assessment</b>		<ul style="list-style-type: none"> <li>▪ Governing Body minutes</li> <li>▪ Long-term or strategic plan</li> <li>▪ Annual risk management review (RPM 2.01)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. CEO/CFO</li> </ol> </li> </ul>
<b>FIN 4 Stable Predictable Income</b>	<ul style="list-style-type: none"> <li>▪ Include description of funding in Financial Management Administration and Management Narrative Question 1</li> <li>▪ Budget</li> </ul>	<ul style="list-style-type: none"> <li>▪ Governing Body minutes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. CEO/CFO</li> </ol> </li> </ul>
<b>FIN 5 Financial Planning</b>	<ul style="list-style-type: none"> <li>▪ Budget planning procedures/process</li> </ul>	<ul style="list-style-type: none"> <li>▪ See long-term or strategic plan</li> <li>▪ Chart of accounts</li> <li>▪ Relevant financial data</li> <li>▪ Monthly analysis of financial performance (FIN 5.04)</li> <li>▪ Unit cost analysis (FIN 5.06)</li> <li>▪ Documents and reports that demonstrate budget planning (FIN 5.02)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. CEO/CFO</li> <li>c. Finance personnel</li> </ol> </li> </ul>



	<b>Self-Study Documents</b>	<b>On-Site Documents</b>	<b>On-Site Activities</b>
<b>FIN 6 Financial Accountability</b>	<ul style="list-style-type: none"> <li>▪ Audit and management letter</li> </ul>	<ul style="list-style-type: none"> <li>▪ Governing Body minutes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. CEO/CFO</li> </ol> </li> </ul>
<b>FIN 7 Financial Management System</b>	<p><i>For Networks:</i></p> <ul style="list-style-type: none"> <li>▪ Procedures for verifying accuracy of services billed</li> <li>▪ Procedures for informing providers of a possible delay in payment</li> <li>▪ Procedures regarding provider appeal of payment denials</li> </ul>	<p><i>For Networks:</i></p> <ul style="list-style-type: none"> <li>▪ Review financial records, as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. CEO/CFO</li> <li>c. Personnel at all levels</li> </ol> </li> <li>▪ Observe reporting and accounting system</li> </ul> <p><i>For Networks:</i></p> <ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Directors of subcontracted organizations</li> </ol> </li> </ul>
<b>FIN 8 Payroll</b>			<ul style="list-style-type: none"> <li>▪ Interview:               <ol style="list-style-type: none"> <li>a. Governing Body</li> <li>b. CEO/CFO</li> <li>c. Personnel at all levels</li> </ol> </li> </ul>

**FUNDAMENTAL PRACTICE STANDARDS:**

<b>Essential Life and Safety</b>	<b>Health and Welfare</b>	<b>Client Rights</b>
		FIN 7.09