

Incorporating Coaching into Financial Management: A Tool for State CSBG Offices

PART 1: Preparing for Financial Management Coaching Conversations

As noted earlier in the guide, the power of applying coaching to financial matters truly pays off when you do so based on good financial information. And while data collection processes will vary depending on your situation, capacity, and grantee portfolio, the list below outlines the kinds of information you may want to consider collecting to support your coaching conversation.

- Internal financial statements (see details at right)
- Audited financial statements
- IRS Form 990
- Budget or forecast
- Finance committee minutes
- Other: _____

NONPROFIT REPORT NAME	COMMON NAME
Statement of Financial Position	Balance Sheet
Statement of Activities	Income Statement or Profit and Loss (P&L)
Statement of Cash Flows	Cash Report
Statement of Functional Expenses	P&L by Program or P&L by Activity
Budget	Forecast, Projection

Consider summarizing the information into a concise, easy-to-read format. Whether you have the system capabilities to aggregate data and generate dashboards or simply aggregate the information manually, laying out the information in a digestible format has several benefits: It demonstrates transparency; helps spark conversations and identify opportunities; and provides a more holistic understanding of agency finance. Part 2 contains a basic framework and set of data points you might consider organizing into summary form to share during conversation with your grantees.

Once you have the information and data in hand, consider these question prompts to as you use the data and other tools at your disposal to begin to develop a deeper understanding of the CAA in preparation for a scenario such as a financial data walk or an annual performance discussion:

- *What story do the historical financial data and trends tell about this agency and what it has been through?*
- *What story does this agency's budget tell about where the agency is going?*

- *What aspects of this agency am I interested in learning more about?*
- *Is this agency sufficiently financially secure?*
- *What do I know about the agency's financial management capacity and philosophy?*
- *How will this information shape my conversation with the agency?*

Below are some example questions you might consider asking during your coaching session:

- *What, if anything, is puzzling to you? What are you curious about? Is anything causing you concern?*
- *What do you view as your greatest risks and opportunities?*
- *Where are you weak and strong programmatically and operationally, and how does this affect your financial performance?*
- *Where do you need to build financial capacity to generate and grow programmatic impact?*
- *What have you learned from your review and analysis of the agency-wide budget?*
- *What do you need financially to ensure program results are reached?*
- *How does your revenue mix help to ensure your long-term sustainability?*
- *How do you measure your program results and social return on investment?*
- *What would you do if you had more time/control/money?*
- *Looking at the results the agency seeks to achieve, what would be the best balance for reserves?*

PART 2: Organizing Information and Data for Financial Management Coaching Conversations

Agency Name:

ORGANIZATION & GRANT			
Fiscal Year	CSBG Funding (CY)	Total Budget (CY)	CSBG % of Budget

SUMMARY & ANALYSIS			
Recent or Upcoming Key Management Changes	Recent or Upcoming Key Operational Changes	990 Governance Compliance	Quality of Financial Reporting
YE Cash (Months) <i>Amount of Cash divided by average monthly expenses</i>	Current Ratio <i>Amount owed by others divided by amount owed to others</i>	Cumulative 3-year Margin <i>Total surplus or deficit (revenues less expense) in last 3 years</i>	Growth Analysis (CY vs PY) <i>Percent increase or decrease of budget vs prior year actuals</i>

Areas of Strength:

Areas of Concern / Follow-up:

Results of Follow-up:

Suggested Areas of Future Focus:

PART 3: Developing an Action Plan

Once you have identified potential financial management opportunities, the next step is to consider, either individually or as a State CSBG Office team, or even with the statewide network, which ones you want to move forward with in implementation. Are there some areas that seem most ripe or relevant to the State CSBG Office's goals or the statewide Community Action Network's needs? What opportunities do you see?

1. Identify the top 1–3 financial management opportunities you would like to focus on in coaching conversations with local CAAs and/or State Associations:
 - a. _____
 - b. _____
 - c. _____
2. For each opportunity describe the **action steps** you will take related to coaching and financial management in the next 3 months.
3. Identify **who will be responsible** for the action steps and the **timeline for completion**.
4. Describe the **resources** or other supports that can be employed to support you in this work, in the *NASCSP Coaching Guide for State CSBG Administrators* or beyond? Are there peers in other states you would like to learn more from?
5. Use the Action Planning Form on the following page to develop your plan.
6. Revisit and evaluate how implementation over the past 3 months went, and choose the next action steps the State CSBG Office will take from there. Discuss learnings and areas you would like to adjust moving forward.

ACTION PLANNING FORM

Financial Management Opportunity/Goal: _____

Action Step	Who Is Responsible	Timeframe for Completion	Resources Needed / Notes

ACTION PLANNING FORM

Financial Management Opportunity/Goal: _____

Action Step	Who Is Responsible	Timeframe for Completion	Resources Needed / Notes

ACTION PLANNING FORM

Financial Management Opportunity/Goal: _____

Action Step	Who Is Responsible	Timeframe for Completion	Resources Needed / Notes