



## Sterling Strategic Advisor Nonprofit Accounting & Finance

### **Why did you pursue accounting and finance as a career?**

After receiving my Bachelors and Masters in Liberal Arts and Social Sciences, I worked for a nonprofit organization in New Orleans, primarily doing administrative work. One of my primary responsibilities was grants management, and I realized that I enjoyed working with numbers and analytical tasks. While working full-time, I went back to school to complete classwork and earned my CPA certificate.

### **How did you land in the nonprofit sector?**

I initially began my career handling administrative tasks and overseeing federal and state grants for an advocacy organization in New Orleans. Upon obtaining my CPA certificate, I sought opportunities that aligned with my training and transitioned to the role of Controller of the American Heart Association Louisiana Affiliate.

### **What are the biggest differences between accounting and financial management for nonprofits vs. for-profits?**

While there are some distinctions in nonprofit accounting, financial management shares significant similarities with for-profits. Nonprofit financial statements use different terminology but closely resemble those of for-profit companies. Unlike for-profits, most nonprofits are exempt from federal income taxes but must comply with various other laws and taxes such as payroll, sales, and property taxes. A key accounting difference lies in when income/revenue is recognized, and nonprofits may face restrictions on fund allocation.

### **What are the key indicators of financial health for a nonprofit?**

The primary indicators of nonprofit financial health include liquidity (ensuring sufficient cash or liquid assets for current needs), unrestricted funds (maintaining consistent revenue to operate without deficits), reserves (having an appropriate reserve for lean times), and funds allocated to the mission (spending a suitable percentage on programs rather than administrative and fundraising costs).

### **What are some common mistakes that nonprofits make in their financial management?**

Nonprofits commonly make financial management mistakes, such as inadequate forecasting and insufficient reserves, leading to unexpected outcomes. Additionally, errors in training on internal controls and the absence of a well-trained financial leader can hinder decision-making and damage the organization's reputation. Recognizing the need for an upgrade in financial management is crucial for avoiding these pitfalls.

### **What are you looking forward to in your role as a Sterling Strategic Advisor?**

I am looking forward to helping Sterling in a capacity that aligns with my expertise. With extensive experience in training volunteers and staff on financial management, I can assist in developing straightforward curricula. Having created tools for evaluating and monitoring organizational financial performance, I look forward to sharing these resources with the Sterling team. Additionally, my background includes training boards on fiduciary responsibilities, and I am well-positioned to outline a curriculum for that specific topic as well.

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