

Effective

Financial Oversight

Mark L. Maxwell



PRAIRIE COLLEGE

For a copy of presentation handouts:

Nicolle Ioanidis

nicolle.ioanidis@prairie.edu

Steve Ibbotson

steve.ibbotson@prairie.edu



CONCORDIA UNIVERSITY - PORTLAND CEASES OPERATIONS AFTER SPRING 2020 SEMESTER

February 10, 2020—Portland, Ore.—Concordia University - Portland’s Board of Regents has voted that the University will cease operations at the end of the Spring 2020 academic semester.

The resolution was approved February 7, 2020 at 6:00 p.m. PST. The Board’s decision came after years of mounting financial challenges, and a challenging and changing educational landscape.

“After much prayer and consideration of all options to continue Concordia University - Portland’s 115-year legacy, the Board of Regents concluded that the university’s current and projected enrollment and finances make it impossible to continue its educational mission,” said Interim President Dr. Thomas Ries.



KPI #1 – Above all...

Live in Harmony

KPI #2 – Firm-up the Foundation

Created Purpose

Theology – Biblical basis

Mission/Vision/Values

Governance

KPI #3 – Build a Great Team

The high value of loyalty

Four C's

Make *Decisions* together

Sing *praises*, tell *stories*, & say “*Thanks*”



KFI #1 – Above all...

Manage for a Margin (profit)

“no margin -> no mission”

KFI #2 – Drive Revenue

Tuition (total credits sold)

Fee Income

Donation Revenue

KFI #3 – Manage Expenses

Payroll

Program spending

Scholarship spending (vs discounts)

Marketing & Enrollment



Executive/Management Routines...

Regular reporting

- Monthly Income Statements (by the 15th)
- Donation pipeline (daily, weekly, monthly)
- Enrollment pipeline (weekly)

Financial Management

- Project Funding
- Endowment (Scholarship) Funding
- Capital Project Funding
- Program Profitability

No white elephants!



Dealing with Crisis

Never waste a crisis (James 1).

- Identify it honestly, with facts
- Address it openly
- Gather options and advice
- In conflict, give everyone a voice
- Implement with extensive communication
- Slow down, to go fast...

Communicate, Communicate, Communicate



Budget Routine...

Revenue

- Let Managers set the target

Expenses

- Keep spending inside of revenue
- Delay subjective spending
- Use scholarships for your benefit

Profit Margin

- Best way to protect your mission



Principles of good budgeting

- A. Build realistic Revenue and Expense plans
 - Aim for accuracy
 - Be reasonably detailed
- B. Build in timing
- C. Invite high level of team participation
- D. Routinely update and evaluate: milestones



Setting Revenue Goals

A. Logical Goals

B. Stretch Goals

C. Leave room for God

- Plan well
 - Work hard
 - Be flexible & responsive
 - Leave room for God

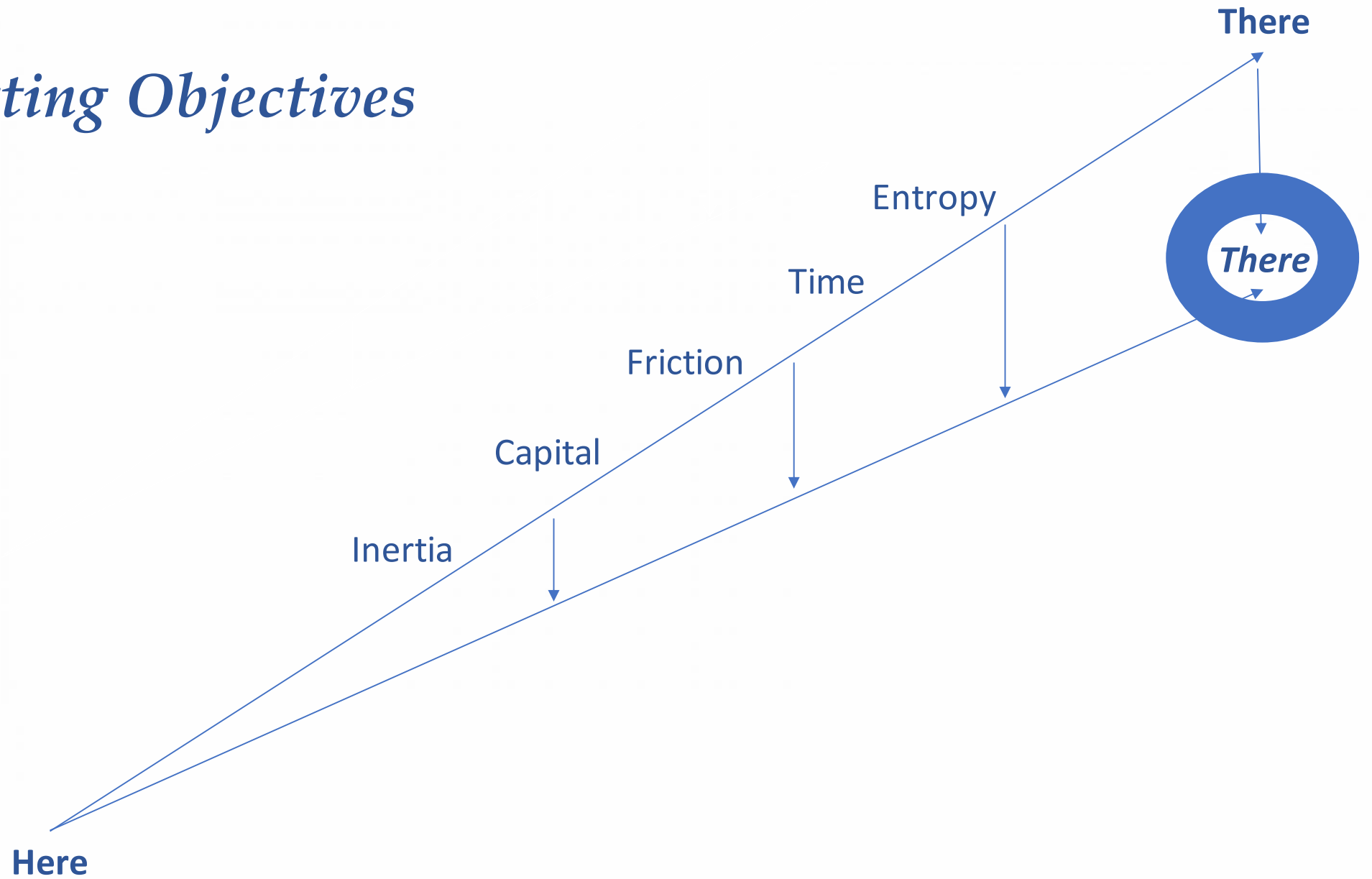


Setting Spending Goals

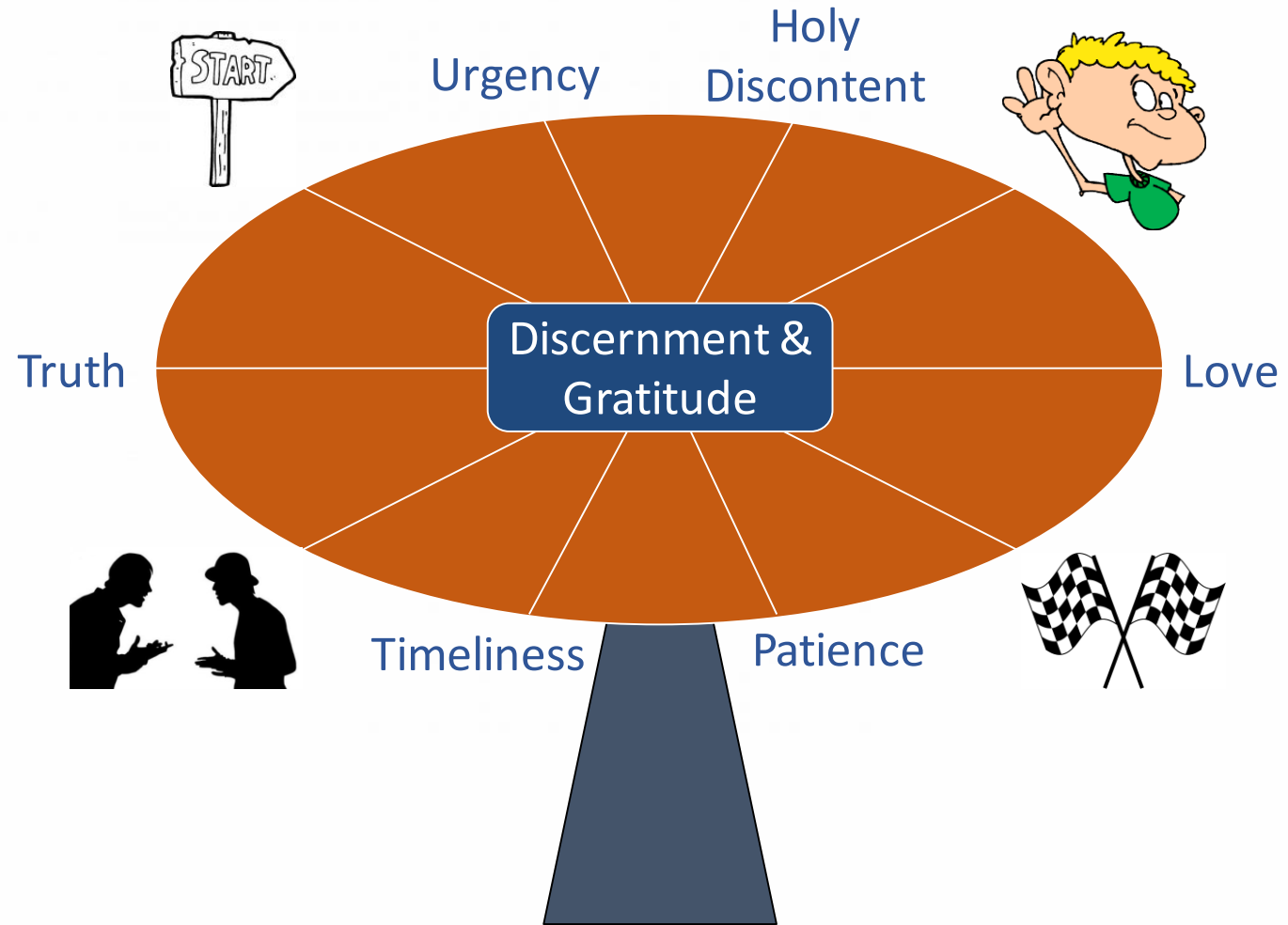
- A. Spend to serve Mission
- B. Spend to drive Revenue
- C. Lag optional spending
- D. Budgeting is a management tool
 - Manage resources
 - Introduce growth possibilities
 - Manage downsizing



Setting Objectives



Great Leaders Needed!



The Serenity Prayer

God grant me...

- *Eyes to see the things that need to change.*
- “The serenity to accept the things I cannot change,
- The courage to change the things I can,
- And the wisdom to know the difference.”

- Reinhold Niebuhr, 1943



For a copy of presentation handouts:

Nicolle Ioanidis

nicolle.ioanidis@prairie.edu

Steve Ibbotson

steve.ibbotson@prairie.edu



Q & eh...?



Effective

Financial Oversight

Mark L. Maxwell



PRAIRIE COLLEGE

Financial Statements:

Income Statement

- Revenue
- Expenses
- Net Profit (Revenue minus Expenses)

The primary focus of budgeting.



Financial Statements:

Balance Sheet

- Assets: What you own
- Liabilities: What you owe
- Equity: “book value” of the organization –
(Assets minus Liabilities)



The Be-Attitudes of Solid Finances

A. Be Diligent

B. Be Wise

C. Be Generous

... God owns everything ...

... We are stewards ...



Selecting: Get the right people on the bus

A. Character

- Good work ethic
- Constructive attitude
 - ❖ Contentment
 - ❖ Loyalty

There is no accounting for attitude

- Habitual honesty
- Transparency
 - Healthy debate among friends*

Seek people who are loyal



Selecting: Get the right people on the bus

B. Competence

- Capable
 - ❖ Skill
 - ❖ Knowledge / Training
- Effective
- Creative
- Growing in their craft
- Comfortable in their ability

... and in the right seats.



Selecting: Get the right people on the bus

C. Chemistry

- Gracious: nice people to be around
- Grateful
- Gentle: flexible and forgiving
- Goal-oriented
- Giants: Seeking to influence, not to control

Weed out mean people



Selecting: Get the right people on the bus

D. Calling

- Appropriately fitting into context
- Not too disruptive
- Not too comfortable
- Embracing change: change is good!

*“The shortest route to excellence is through
the criticism of our friends”*

