



Board Finance Training Discussion Guide

Module 1 – The Boards’ Role in Financial Oversight

Purpose

The Board Finance Training Discussion Guide is designed as an opportunity for participants to expand on what they learned in the e-learning module, Boards’ Role in Financial Oversight. The discussion guide can assist facilitators in engaging board members in dialogue after they have viewed the module. Keep in mind that sharing takeaways with others is a key method to remember new content and inspire new ideas.

Let’s get started!

As you begin, be mindful of time and be sure to know everyone’s name and title. Facilitators should remind board members that there is always more to learn about nonprofit governance and encourage participants to ask questions at any point. If conducting a virtual training, consider using polls or the chat feature to gather feedback and engage your audience. If questions have been submitted ahead of time, use them as conversation starters or include them in the appropriate topic areas. As you go through the discussion guide, confirm that the questions have been addressed before going to the next question. Lastly, write down any follow-up questions that may generate.

To kick off discussion, invite members to share a *one-two minute reaction* to the e-learning module.

- What do you think about your role in providing financial oversight?
- What are some of the roles you identified that you feel confident in applying?
- What about those roles do you find challenging and may need additional support?

Discussion

After initial reactions are shared, acknowledge everyone’s input and highlight topics from the module that participants mentioned. Remind participants that providing financial oversight can be challenging especially if they are not familiar with their role. Then process what was learned in the module using the following questions to prompt participant feedback:

- **Financial Oversight**

Authority is placed in the Board of Directors as a collective to govern the health center. What comes to mind when you hear that as a board member a key board duty is providing financial oversight?

- What are the main financial aspects or areas to be monitored?
- How do you currently approve and monitor budgets?
Have participants rate on a scale from 1-5 on how confident they are in approving and monitoring budgets. Depending on their responses, gauge where you think they need added support.
- How can a board member address deviations or differences from the budget?
- Have you had the opportunity to contribute to your health center's financial procedures? If so, how?



- **Financial Roles and Responsibilities**

We often see board members who are unfamiliar with financial statements tend to shy away from asking questions about them.

- How do you feel about the responsibility of understanding and, if needed, challenging the financial information being presented to you?
- How can you help create a culture where questions are welcomed and common practice?

- **Approval of the Annual Budget**

According to the Health Center Program Compliance Manual, health centers are required to prepare two budgets annually: the annual organizational operating budget and the “total budget” or grant budget submitted to the Health Resources and Services Administration (otherwise known as HRSA). The law that created the Health Center program required health centers to submit a budget to HRSA annually that balances to zero, however health centers should also create a more aggressive operating budget to meet to be a financially viable organization.

- What is your understanding of the operating budget?
- What is your understanding of the “total budget” or grant budget?

- **Monitoring Financial Performance and Understanding Financial Status**

As a board member, it is your responsibility to keep abreast of the ongoing financial narrative by paying close attention to the financial statements generated by the CFO.

- How do you feel about your role of being responsible to understanding the financial statements and identifying important changes?
- How prepared do you feel in reviewing the financial statements generated by the CFO?

- **Accounting and Internal Controls**

As part of your responsibility to monitor the financial statements, you need to be assured of their accuracy and integrity. This is done by having a system of internal controls in place.

- Why are internal controls important?
- How often are risk assessments performed at your Health Center?
- How do you feel about making sure that fraud does not exist as part of your internal control oversight?
- According to what you learned in the Module, do you feel that external audits are sufficient to ensure the health center’s internal controls?



- **Policy Approval**

Health Center policies should be updated at least every three years.

- What is the process for making policy changes?
- How are these changes communicated to the staff?
- How can you prepare to approve various financial policies, which may include policies on reserves, investments, gift acceptance, and the annual audit, among others?

- **Independent Financial Audit**

According to the [Health Center Program Compliance Manual](#), every health center is required to have an annual audit and the board has a significant role to play.

Reiterate here why this is an important role. They need to understand the process, but Boards rely on experts in this area who may also be fellow board members.

- How is a board member involved in this process?

- **Strategic Planning**

A strategic plan is a document used to communicate the organization's goals, the actions needed to achieve those goals, and all of the other critical elements developed during the planning exercise.

- Why do you think strategic planning is an important role as a Board member?

Act

As a whole group, use this time to invite participants to share what they learned from the conversation – new insights, “aha” moments, more questions to consider. This is an opportune moment for members to share their takeaways and possibly connect with other participants.

- As a collective board, what are 1-2 things you can put into practice now that will help you provide better financial oversight?
- Any takeaways from this discussion or module?



Resources

These financial oversight responsibilities are integrated within the [Health Center Program Compliance Manual](#) and the [Health Center Program Site Visit Protocol](#).

Access the Health Center Program Compliance Manual here:

- <https://bphc.hrsa.gov/sites/default/files/bphc/programrequirements/pdf/hc-compliance-manual.pdf>

Access the Health Center Program Compliance Manual in Spanish:

- <https://bphc.hrsa.gov/sites/default/files/bphc/programrequirements/pdf/health-center-manual-spanish.pdf>

Access the Health Center Program Site Visit Protocol:

- <https://bphc.hrsa.gov/sites/default/files/bphc/programrequirements/pdf/site-visit-protocol.pdf>