

IMPROVING THE FINANCE FUNCTION
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DRAFT

- Establish and centralize finance function
 - Various finance functions performed by multiple persons in piecemeal/ incomplete fashion
 - Finance function most “bill pay” currently
 - Expand review and checking function, eg plane boat
 - Define review function
 1. Lack of clarity of nature and extent of review and accountability
- Ensure accurate record keeping and complete documentation
 - Ensure contracts and financial records are centralized and retained by Finance
 1. Individual file retention in email or private directory/ folder limits financial function
 2. Risk of inaccurate and incomplete accounting/ financial/ tax reporting
 3. Centralized documentation serves all FO team use
 4. Ensure 3rd party reporting directly to Finance vs mail forwarding to Finance
 - Eliminate processes conducted by multiple parties and centralize to FO
 - Charity payment and recordkeeping performed by Home staff, Melanie, FO
 - Define party responsible for maintaining records
 - Charity pledge recordkeeping and compliance to single person/ department
- Ensure tax/ accounting/ finance are involved in legal / investment/ estate/ art planning
 - Ensures comprehensive attention to diverse issues and ensure non-financial interests are communicated to Finance
 - Risk of inaccurate or incomplete reporting
 - Enhances oversight/ compliance and attending to details of contract, eg avoid credit line expiration
- Develop robust internal control process
 - Ensure segregation of approval and payment responsibilities
 - Segregate functions to ensure check and balances
 - Mail opened by Finance team
- Implement robust banking/ investment function
 - Eliminate centralization of approval and payment responsibilities with single individual
 - Addition of Finance team members to institute segregation of duties
 - Eliminate processes that have inherent risk, eg email communications to brokers/ bankers for wires/ transactions; photocopied signature on wires
 - Expand 3rd party reporting directly to FO/ trustees of financial information

- Segregate functions – account opening and closing,, make investments decisions; payment/ approval
- Delegate responsibilities to Finance team
 - Move ministerial functions to bookkeepers, eg obtain valuations, invoices
 - Expand review function to bookkeeping/ controller
 - Develop defined list of vendors that Finance has final bill approval responsibility
 - Allow Finance team to communicate directly with 3rd parties, eg investment contacts
- Improve and Define Approval function
 - Trustee approval centralized to Finance team similar to FO approvals
 - LDB/ DRB – define items or levels that require their sign off
 - Finance team – Maintain open item list of items requiring approval to ensure timely signoff, eg invoices do not remain unpaid for long periods or with multiple persons
 - Implement set of Authorized Persons/ Officers
 - 1. Use officers to have agency to perform financial functions
 - Approve wires; open accounts; transfer assets, eg transfer partnership interests to related party; sign wires/ tax returns.