

Please stand by for realtime captions. >> Thank you for waiting. Your confidence will begin shortly. Thank you for waiting. Once again, thank you for waiting. Your conference will begin shortly. Thank you for rating. >> -- Thank you for waiting. >> Thank you for waiting. Your confidence will begin shortly. Thank you for your patience. Once again, thank you for waiting. The conference will begin shortly. Thank you for your patience. >> Welcome to the board Masters class, Understanding Your Grants and Other Financial Issues conference call. Ms. Shannon, IMP operator. At this time, all participants are in listen only mode. Later, we will conduct a question-and-answer session. I will now turn the call over to Pauline from NDRN .

Thank you for joining the call. I am Pauline stunned topless, [Indiscernible] from NDRN and I am the technical assistance person for whom you call on anything for related or fiscal related or management or just about any issue and if I don't do with it, I can certainly get you to the right person in NDRN who can.

I will be joined later by Sherry Hall, Director. of finance administration Natinal Disability Rights Network Florida. She assisted me in putting this presentation together and also wanted to be available to answer questions directly . I was thinking you'd be useful to have a live CFO here for your listening pleasure and questions. The presentation today is going to be recorded into the material will be made available on the website as we do for all of our master classes and workshops.

So if there are members of the board to be on today's call, they may still be in able to listen in and get the information they need. Today, we are going to be talking about financial literacy. We are going to go over briefly what the P& A programs are in for something that you are received and restrictions . We are going to determine some financial terms of how -- help you navigate those financial conversations. We will do discussion about financial documents themselves. And, we will talk about some of the terms used in budgets. Of course, these are going to vary from agency to agency but I picked a few that were sort of common.

And then, we will talk about some of the rules that govern the funding that you all work with. And then we're just going to keep it wide open for questions.

Throughout the presentation, if you are viewing this online and you have the ability to use the chat function, and are very welcome to ask questions. It can be a little bit hard for me to keep up with the questions and chat and the presentation at the same time. So if I'm not getting to a question in the chat, I will go back to those questions during the question and answer. If something pretty is coming up to where I am in the presentation, and I see it in the chat box and I catch it, I'll definitely take a moment to answer the question. So, let's get started. >> Becoming financially literate is one of the most important functions of a board member has. You know, your fiduciary responsibilities really revolve around money. You are given the public's trust as a nonprofit board member to manage this organization

effectively and to ensure that it is providing quality services that it has promised to provide.

So, how do you demonstrate that you are financially literate, or how you get there? And we do this in a couple of ways that can help you understand what I mean when I talk about financial literacy. It means that you are reviewing your financial report and asking questions until you understand them. And that can mean asking questions over and over and over again. And in different ways, and you try to get the answer that you need.

It also involves considering the organization's budget, cash flow and the ordinary regular expenses and potential income when making decisions about other matters. So basically, you're thinking about money outside of just the conversation around a budget. Because money drives everything we do, whether in the budget conversation are not.

It requires you to read and ask questions about financial policies and procedures until you understand them. You will hear that a lot until you understand them. The reason is because, you're going to be voting and making decisions based on policies and documents that you have. Budget documents and other financial policies. So if you do not understand them in your voting on them and you're not doing anybody a service. So, it is important that you do the best to understand and get the information so that you can. Or, if you don't understand them and there's no shame in not purchasing in a boat, in fact, it is actually more admirable because you're making sure that you are following your fiduciary responsibility and only taking action when you know that you are prepared to take action.

Financial literacy also means that you know your organizations dominant funding sources and restrictions associated with them. That is important because as we have experienced recently, any threat to your dominant funding source can really have a major impact on everything that you do.

You know, if you are an organization that gets donations, other grants and money from other places, you certainly are not going to be able to track everything will donor and founder that brings money into the organization. But, you should at least be able to identify and talk about some of the topics. And definitely the top one. Now, for P&As, specifically, the dominant funding sources are going to be the a federal programs that fund the P&As. Certainly, there is a hierarchy based on the size of those grants. However, it is important to understand those sources, especially.

And another aspect of demonstrating financial literacy is that you will be able to notice irregularities in common a expenses that you will not notice irregularities the first time you look at a financial statement or profit of loss or any other financial documents. Because it'll be the first time you have looked at it. However, over time with every board meeting, you will become more familiar with it. You will learn about the patterns of how many comes in and goes out. If you are paying attention, you'll start to notice if there are irregularities. There are also ways

in which documents themselves are set up. That will aid you in identifying those regularities. But, it is going to be one of those moments where you can actually sit back and say, oh okay, I am getting it. Because maybe the first couple of times you have these finance meetings, you did not quite, you know, grasp it. But then as time went on, you start to catch things and ask questions that, you know, were not the questions you asked at first. That should be your tell that you are financially literate and now you are asking those meaningful questions if you need to ask to make sure that those are being addressed in the retraction.

I think it is really important for every board member to read and understand the P&A programs. I have done a very, very truncated read and distillation of these grants and the eligibility. These are by no means to serve as the absolute definition of what your organization can do with the funding. It's just shorthand to help with this presentation. If you want to learn more read all of the funding sources, the statutes themselves, they are available on the NDRN website and I bet they are also available on your own P&As website. So, while I have had these short definitions here, I really encourage you to take a look at the longer text so that you can understand how these things are actually worded and the specific nuances that are in there that I cannot capture in this restricted time. These programs are listed in the presentation in the order they were adopted by the P&As. So, first we have the pad program which is protection and advocacy for individuals with developmental disabilities. And that is defined as a secure -- severe, chronic disability related to mental impairment that is likely to continue indefinitely and result in substantial limitation and through more major life activities. I say depending on age because there are different standards, depending on whether you are over the age of 22 or older, or under the age of 22. >> There are also, in the statutes, but of major life activities that they have defined that are basically the tests. So, for you to truly understand eligibility for PADD, you need to look at the statute and see how it varies depending on age and what those life activities are. So, what are the services that the P&A can provide using PADD dollars? The P&A can pursue legal, administrative and other appropriate memory -- remedies, provide information and referrals, training, investigating abuse and neglect, have access to records of individuals and educate policymakers. This is the core foundation of what a P&A is and does. And, you will see this repeated over and over again throughout most of the programs. Because it is a foundational statement of what a P&A can do. And just about everything comes from this stuff for this sentence.

The CAP or client assistance program is one of the programs that not all of the P&As has. And that is because when we were getting this statute passed, we were trying to get it passed like we passed the PADD program. If you participated in the inaugural master class, you would have reminded -- remembered the executive director of NDRN talked about this whole process that happened in the genesis and evolution of the P&A program. He talked about how the CAP program in its creation, trying to mimic how we created the PADD program, actually alerted us to a problem. Which was sent by allowing governors to designate P&As, these programs, and allowed governors to get mad at the P&A who have the PADD program and say, well, I don't want to give these folks the CAP program

because they are going to keep coming after me so I'm going to give it to somebody else. Meaning best date. So, in some states, the CAP program is part of the state government. And, those numbers are shrinking. A lot of the programs, or most of the programs are in the P&As themselves and some of them that are not are looking at moving out. Which is why there is that asterisk in giving you this information. Independent CAP programs are part of the P&A program and are a part of what we do. They are a program of the P&A. So the eligibility for the CAP programs our clients and applicants of services from vocational rehabilitation. And other rehabilitation funded programs. For example, you have the centers on independent living. So, anyone involved in any of these vocational rehab , as we call it, anyone involved in vocational rehab related to these programs, who need help with their services can come to the P&A and we can serve them with the CAP program. Loosely, of course, again , read the statute because there's going to be a lot more information in there. The services for the CAP program are to inform and educate clients and applicants in relationships with projects, programs and services, including assistance and advocacy in pursuing legal, administrative or other appropriate remedies to ensure the protection of rights and facilitation of access through individual and systemic advocacy.

Again, you hear some of that language that is similar to that PADD. The [Indiscernible] program is another one of the big names. PADD and [Indiscernible] and it is protection and advocacy for individuals with mental illness. The eligibility for this program is an individual with significant mental illness or emotional impairment resigning or being admitted to a mental facility, mental health facility . In some examples could include, but are not limited to, jail, shelters or residential treatment centers. Or, they could be living in the community. There's a preference in this statute for facilities, but that does not mean exclusivity. You certainly want to make sure that our communities are also safe places for people with disabilities and mental elements to live and work. You'll notice is that the services we provide under that PAME program are similar in wording to that of the PADD program. >> The protection and advocacy for individual rights , PAIR, is a bit of a catch all. It allows us to serve individuals to meet the definition of disability as defined by the Americans with disabilities act, but services beyond what is prescribed in PADD, PAME or CAP. And those three specifically because PAIR is the fourth program and those were all [Indiscernible] at that point.

Size you can well imagine, the services that could be provided under PAIR is the same services that could be provided under PADD . The protection and advocacy for assistive technology, PAT program is what it says it is. Is [Indiscernible] for individuals in need of services or devices. You'll see the same image used in the previous programs about the services that can be provided under the PAT program. The protection and advocacy for beneficiaries with Social Security , PABS is for individuals who receive SSI or SSDI benefits and have a barrier to obtaining or retaining employment. What is really interesting about this program is that this could also be a bit of a catch all program. Because just about everything , you know, every obstacle that confront somebody with a disability, affect their ability to obtain or retain employment.

So, there you will -- is a very nimble program within its definition. The services that can be provided under PABS our advocate for client under the ticket to work program, vocational rehabilitation, or other employment services as well as other many legal or administrative services. As you can see, many other [Indiscernible]. So long as it relates to obtaining or retaining employment. It does have a prohibition against litigation against the Social Security Administration, except when it comes to representation around [Indiscernible - low volume].

The protection and advocacy for individuals with traumatic brain injury -- brain injury, clearly if you serve under this program, you must have a traumatic brain injury. Again, it follows the exact same service criteria as a majority of the P&A programs. Protection and advocacy for voting access or PAVA and sometimes also called HAVA, because it is also called the help Americans vote acts, is specifically a program to address increasing participation of disability anybody who died that anybody who decides to participate in the electoral process.

That means that making the electoral process available to people so that they can purchase you don't necessarily have to [Indiscernible], I can't get into my polling place, but I want to vote. The way that this grant is written is that it allows you to secure election access, including advocacy, education assistance in registering to vote, casting a vote and making polling places accessible. The downside of this is that they do not allow voting related litigation. However, because these folks are people with disabilities, if there is litigation required for that case, you typically could take of that action with one of your other programs, pulling it out of PAVA and putting it into the appropriate eligibility check firm for that. This is also one of those programs that is not at every P&A. Not because of structurally how that happened with CAP, but because when the grant, statute, was written, it did not take into account the Native American sham -- consortium as I believe could be taken about. But, there are two PAIR Junot [Indiscernible - low volume].

So, when we are talking about finances, we sometimes use this jargon or terminology that, you know, feels like, you know, I need to go to my board meetings with a dictionary to be able to keep up. So what we have done is we have included terminology here that is common when you are looking over your audit or the your financial statements. For example, deferred revenue. Deferred revenue is simply cash that comes in the door but the services have not been delivered, yet. It causes a liability under statement of financial position which we will define in a little bit. Because, we have to owe it back if we never provide the service. Once we provide the services, we then move to the statement of activities, because we have completed the work, so that we have actually earned the money even though he already had it in the bank account.

An example of deferred revenue would be, let's say you're holding a conference and you are collecting registration fees. Typically, people pay the registration fees before they go to the conference. So that is different from revenue. Until you actually deliver that conference, you're taking that money and save. Prepaid expenses. This one, Jimmy,

seems a little bit common sense. But, just in case. It is a prepayment for a product or services. They are recorded as an asset until they are received and then moved into activities. So, for example, a prepaid expense could be putting a down payment on an exhibit hall for next year's conference. So you know, it is what it says it is. But, we often talk about prepaid expenses.

Designated net assets. This is not something that is very common among P&A boards that I am aware of, at least. But, this is an opportunity for the board of directors to set aside specific -- money for a specific purpose. Typically, only a donor can set a restriction on money. So, as you are well aware, the government funding that you receive comes with lots of restrictions associated with it. But also, individual donors, foundations or corporations might also add restrictions to their donations and say, you know, this money is to only be used for X, Y and Z, and therefore you cannot use it for anything else. But, if Ford members want to take unrestricted dollars that are your assets, that the organization owns, and restrict them for specific purposes, you can't do that, but it requires a board action. So, you actually have to have a motion and carry the motion at a board meeting, and have it in the minutes so that it is in writing, that you designated a specific amount of funding for a specific project.

For example, you might have your CEOs announced that they are going to retire, and of the crib when you find out and he's going to retire at the end of the next fiscal year. He said at -- you may decide as a board wanting that you want to set aside some assets now for the costs that you will incur to do a national search to find a new CEO. That would be a typical way to designate or research dollars for a specific purpose.

Use of net assets is simply the reduction of net assets from the current year for an activity. So, what does that mean? It means that you have money in the bank that is essentially cash, and you use that to pay for something that you need, like a [Indiscernible] server. Now your savings account have less money in it. That savings account was our asset. He used some of it, and now that is a reduction of those assets. It is as simple.

Realize or unrealized gains or losses. I always think that this one is sort of funny in the way that it is listed, because it's actually not very hard to understand, but, it just sounds complicated. When you are in the process of your audit, as an example, all of your assets are going to be looked at. So, you might -- your organization might have had stocks donated to it at some point. So, you may have a portfolio. It could also be the value of your portfolio or anything else that has a value change associated with it. Let's say you have a portfolio because somebody donated stock. When you are being audited, they will take a snapshot of your end of the fiscal year and say, what was the value of that portfolio at the end of the fiscal year compared to that of the portfolio? If you have not pulled the stock unit is just living your account, then that is an unrealized gain or loss. Meaning, that the value might have gone down, but you did not actually lose money because you did not cash it and it is not cash. It is just sitting there in the

portfolio. Or, it could go up and, you know, your assets are now bigger but not realized because you have not cash them out.

They are realize once you sell them. So, some organizations might have a policy that as soon as they receive stock they sell it. So, let's say you get a bunch of shares of Apple stock and then the iPhone five came out in the shares rate skyrocketed and you made a whole bunch of money between the Friday when you got the donation and the Tuesday or Wednesday when you could sell it. Once you sell it, that would be a realize, because you sold it, and game, because they would look at the dates, the value of the commodity when he received it, and once you execute the sale.

Program incoming something that gets talked a lot about that P&As. And, it is simply income that is earned directly because of activity as a result of the award. And a very typical P&A example of earned program income is that you have one a really big case and you have got attorney fees and that case, let's say, was a PAME case. That is now program income that is restricted to the PAME program. So, if you have charged the work to the federal grant for this case, and you win an award for this case, that money goes back into the federal grant.

If you have seen the and reserves or unrestricted dollars and you're able to do that case on your own dime, if you get a significant award because you did not use federal funding to do that case, that money is [Indiscernible] as well. That money is unrestricted, because the money that paid for it was unrestricted. Each grant has roles around program income. They're pretty slimmer, -- similar, but one is different and this is one of the areas that you should definitely understand and letterhead around at least and make sure that when talking about her budget, it is clear, that there is a clear line item so that you can understand programs. You know, how much money was earned in programs.

Carryforward or carryover. Similarly it's talked about a lot in the P&A network. And, they are unexpired grant dollars that cross the fiscal year. So, our trainees are funded annually. At certain dollar amounts for each program. And, while they are funded annually, the P&A has two years to actually spend those dollars. So, the end of the first year, let's say if you had \$10,000 left in PAME dollars that you did not send in the current fiscal year, you could carryforward at \$10,000 into the next fiscal year. It should be listed as a separate line item on your budget that you can see it very clearly and understand it. So that you can spend it.

Now, there are limitations. So, if it is a two-year grant and you have such significant carryover that you're getting to the end of the two-year time frame and you have not finished spending that money, that money then reverts. Which means that they take it out of your bank account and it goes right back to the federal government. We heavily, strongly, forcefully encourage P&As to make sure that they do not revert any federal dollars back to the federal government. Partially because we know that your state needs those dollars desperately to reach all of the people that you need to reach.

But also, in the good times when we could fight and get increases programs, and now [Indiscernible] fighting to keep this programs funded, level funded, having a lot of money then reverts back is actually difficult for us, because we will get responses like, well, are you sure you really need all of that money? Because, you know, you have all of these P&As who have not spent it all and we are getting it back. So, it can make us a little bit -- it can make it a little bit difficult for us.

However, you may have policies in your organization that because of his continued resolutions and delays in when funding gets released, you may have a policy that says, you will actually plan for carryover and that every year you will carryover the equivalent of one month or six weeks or whatever is the appropriate number that the board feels is appropriate. As part of a planning.

I think always better to be planned around your carryover then it is for it to just happen, because, you know, there wasn't a clear watch. Now, carryover can happen for lots of reasons and that just happened. You could have a staff nutrition or projects did not get deployed the way they should have, or you wind up saving lots of money because you have implemented a cost saving structures. But, it is always a good idea to be mindful of things like programming, and carryforward because they do impact how your funding and availability goes throughout the year.

Vanessa just asked in the chat box, how long can you carryover the money? Is there a time limit to using it? Yes, there is a time limit to using it. So has a stated, these grants are annual grants but they last for two years. So, for example, we are currently in fiscal year 2013. The fiscal year 2012 money that was given out last year, the second year of that money ends at the end of this fiscal year. So, if you did not spend all of the carryover money that you carryover from 2012 and pushed into the 2013 part, whatever is left over of fiscal year 2012 money after September 30 that you did not spend will revert back to the federal government.

So, the standard financial documents that you are going to be looking at are your budget, your statement of financial position, statement of activities and statement of cash flows. Clearly, your budget is a representation of what you are planning to do that here. It is a guideline. If not, you know, you do not add to it on your skin because it is going to change. But, you should work very hard to make sure that you are projecting a budget that is as close to realistic as possible, knowing that you can never accurately -- plan accurately for the future. And a statement of financial position is a document that demonstrates what the company owns and what it does at a fixed point in time.

So, if that statement is critically, then it is based on that quarter where you are on that data that the report was created. If it is part of your annual audit, it is based on the year. The statement that these -- the statement of activities is about the expenses and your statement of cash flow shows changes in the balance sheet and account and incomes and is often broken down by operating, investing and financing activities.

So, the statement of cash flow is a very active document. It is the in and out. So, the statement of financial position, also known as a financial statement. A lot of these documents have multiple means. And you know, I thought about setting them all in, but I was afraid that I would make it even more confusing. But again, if you don't understand something when it is coming from your board meeting, ask the questions. It is a summary of the financial stability and profitability of the [Indiscernible] and is comprised of four main parts. The balance sheet, income statement, statement of shareholder equity which is typically not relevant to P&As, and a statement of cash flows. So, the balance sheet is a summary organization financial stability, fixed in time. They are done quarterly. If you are on the finance committee, you have a role that you can use this monthly. But typically, you'll get these every time that the court needs. It gives you the snapshot of the financial health of the organization. The income statement tells you if you are profitable and basically shows where revenues, expenses and net profit or losses. Stockholder equity is about data, shareholder equity, earnings which you do not have, but it is part of the series of documents. And the statement of cash flow basically acts as your activity report. So, your statement of activity is a nonprofit version of income statement include revenues, meaning income, that the donation, program income, the grants themselves. If you do have investment and you have made those, you can have that. And any money that was released from restriction. It would include your expenses and therapy program management, or any other breakdown that your organization can use. And it within also include the change in net assets. So, you know, revenues minus expenses were asked -- else your assets. It will let you know what is restricted in what is permanently or temporarily restricted. You will see this in discussions about restrictions.

The statement of cash flow is your in and out. It changes over time, and rather than [Indiscernible - low volume] and uses information from all of the other places to, you know, fill in all of the links. It will tell you a net increase or decrease for that period, and it is generally divided into three parts. Operating activities, [Indiscernible] activities and financing activities.

So, when you're looking at a budget, we often have these, you know, terms that are listed in the budget that we all think we know what could be part of it. But you know, maybe we have not really thought about it. The reason why Sherry and I decided that we wanted to include, sort of, the coding of budget terms, is because this is one of those ways, one of those opportunities to spur questions. From board members.

So, for example, salaries may make sense. You know, include salary for full-time and temporary employees. Some folks might think that temporary help to go into consulting because they're not salary employees. So, understanding the nuances may help you better understand your financial future.

Also, you know, you can ask what is included in our benefits line items. For example, in this example, we are saying, health insurance, pension, life insurance, disability insurance, dental, employee

relocation expense. In some locations, the employee relocation expense might be placed in a different area of the budget. Perhaps in the area that you are listing the recruitment cost at some point.

Litigation expenses. Sometimes, you know, I will hear that people don't really understand what is involved in litigation. It cost so much when you have a staff attorney. Expert witnesses, outside legal counsel. There are filing fees, transcripts, record request. There are lots of things that go into litigation expenses. And, if you want to know more about the types of things that are in that line item, you should ask.

Consultants or outside consultants to provide professional services. I have also seen folks but temporary employees in the area and contract employees in an area. Staff development is, you know, typically the cost associated with educating staff and can include everything from registration, travel to pretty in. Some organizations might actually break all of that out and say, only include the cost of registration under staff development and include the travel of pretty in and other areas of the budget. So, understanding how those line items are defined in the hope you understand how the organization runs in a big picture passion. Accounting could not only be the, you know, the audit, but it could also be additional audit related services that your organization might pay for. And some organizations might have outside accounting and they might have a separate line item trustworthy audit. So, knowing what these types of terms are may help you engage more. So, you know, when it comes to understanding the financials or dealing with financials in an organization, knowing who is responsible for what is really important. And while this is a very long list, it is meant to sort of demonstrate this hierarchy. The audit and 4990 is a product that is bought and paid for by the board as a fiduciary responsibility to ensure that the organization is in good physical health. A lot of organizations, that responsibility just defaults to the staff because it is easier, but the board needs to be heavily involved in the process of identifying, hiring and working with auditors. To ensure that that is a good clean audit of the work of the organization.

The finance reports for the board meeting are the responsibility of the board. Of course, with the help of the [Indiscernible], you can't do that by yourself. In developing the budget. All of this, of course, is going to be with the help of the fiscal staff and CEO. But you know, the audit financial reports and budgets are a demonstration of your fiduciary responsibilities. You know, the staff provides you the ongoing documents, which basically demonstrates the difference between permanent and [Indiscernible] reports.

Of course, the fiscal office is responsible for the audit. They go through it, they live it. Of course, they built a communal, draft of the budget. Of course, they participate in a financial report. But, those are tools of the government in the board must be engaged in them. So you know, I don't want to minimize the staff involvement in all of these processes because they're heavily involved. But, I want to underscore the importance of them.

So, demonstrating financial literacy, you know, is a process that involves asking questions. So, I have put together a couple of samples of things that I think would be useful, questions that I think would be useful to either think about or actually say out loud when you're working with financial information. Some of the bigger picture questions are going to be like how often is the budget monitored in the process? How volatile our funding sources? Are we diversified? Are there any trends apparent that could impact the trajectory? These are those bigger picture questions. A more focused question would be, how realistic is this budget I am looking at right here? Is there anything significant or any big variances in this budget? Why are we over or under budget in this particular line item? Again, that will demonstrate that you're actually paying attention. Our staffing levels consistent and are there any vacancies? And if there are vacancies, are those vacancies accounted for and how are they accounted for?

And of course, you want to ensure that there is transparency between you and your organization around fiscal matters. Ask yourself if your concerns are being treated appropriately. Are you getting the financial documents that you need and are your questions being answered? You know, I went to a little café on on this one. Because I think sometimes, especially when you're learning about financial information and learning how to become more financially literate, you might wind up having, you know, lots of questions that, you know, are trying to be answered. Maybe the CFO and CEO is trying to answer those questions but you're just not connect. You have not found the right words to answer the question. So, the measure should not be if you get the exact answer that makes you understand it. There should be an attempt to help that along. It is also, by Frank Lee, your responsibility to educate -- quite frankly, your responsibility to educate yourself. If you are explaining it and you keep trying and they're just not getting it, then ask me. Give me a call, shoot me an e-mail or ask a fellow board member to explain it to you in different terms. Or, you know, Google it when you get home. Look it up on the Internet. See if you can find in explaining the different manner to help you understand it better. But, I think it is really important to help you figure out, is it me or is it a you situation? Are you not getting your questions answered? Or are you not caught up with because you're still learning or is it that you're not getting the information that you need questions are not answered or a different issue? It is always an issue of yourself first before pointing any fingers, of course.

Most CFOs and CEOs I have worked with at the P&As are incredibly admiral and really smart people. But you know, it is your responsibility to make sure that that is, in fact, the case in your organization. So as I like to say, trust, but verify. You should absolutely trust that your organization is doing the work that it promises to doing that they are managing finances appropriately. But, do your job to verify that that is in fact true.

So, I wanted to also touch on a little bit of the requirements associated with funding. And there are, you know, weeklong workshops that you could take on this stuff. That I am not going to do for you. But, you should be aware that every federal dollar that you get is

governed by what are called circulars. Federal requirements, you will hear CFR, it is from the office of budget and management -- management and budget. And, the circulars that pertain most to nonprofit P&As, the state agencies would have a slightly different document, our OMB circular A110, cost principles A122 which means what can I spend my money on? What am I to spend my money on? That is a short one and I think a really potent ones for everyone in the organization's to just print out. You don't have to memorize it. It is just probably a good thing for you to have a report both. And then there is the OMB circular A133 which is the audit. The documents that govern how nonprofit stations are audited. And, in applies to nonprofit organizations that get more than \$500,000. Federal funding. All of the P&As get more than \$5000 a year in federal funding. So, all of them have to go through this heightened level of the A133 audit. If you so desire and want to look at this A133 material, the annual supplement is supposed to come out every much as what comes out every June or July and it is about 1500 pages. And, you know, if you want to print that out conflicting report book, go forth. But, it is a myth. But it is changed annually. But, there is a special note in here because the Government accountability office is in the process of creating what is called a super circular, combining all it -- all eight of the circulars that are created by the federal government to administer federal funds. And basically creating a single document. That document is looking like it might be released in 2014. And when the document is released, it won't go into effect until the next fiscal year. So, it is constructed during the fiscal year, it is not going to go in that fiscal year, it will apply to the next one.

I feel confident in guaranteeing that as soon as that is dropped, NDRN will be doing lots of educating and workshops and webinars about it and specifically about the changes in what used to be [Indiscernible] and what it is now [Indiscernible]. In fact, at the fiscal management meeting that we just had, in July, we had a sneak preview of the super circular that the government released for comment in the spring. So, we got a chance to see what it may look like.

We also understand some of the things included in the circular will be added into the compliance supplement on the A133 because they come out every year and it gives them the opportunity to let some of this information though a little bit at a time.

But, it really does not look like this is going to affect us until fiscal year 2015 and probably fiscal year 2016. But it is important to know it is coming down the pike. So, there are some wage in which -- some ways in which these federal rules affect what you do. For example, you might hear about policies that you have around timekeeping more promises and use of funds. It is because these have been identified by the federal government has issues requiring policy and specific standards of care, essentially. So, you know, I include these typical ones, because I think it is important for you to understand that sometimes these policies, reimbursement of expenses, for example, board members and advisory Council members often have to be reimbursed for their travel expenses from board meetings. You may question why you do things a certain way. It is a requirement by the federal [Indiscernible]. This is a sample of some of the rules that govern the federal funding

than you get, that will show up in your work. >> So, I am sorry that Sherry was actually not able to join us, but I am available for your questions. You know, I know that doing this financial stuff can be really hard, especially if you don't consider your self a numbers person, but like anything else, practice does make perfect. So, Shannon, if you could open up the line, I would love to take questions. You should also feel free to use the chat box if you have any questions on the webinar video portion.

At this time, we will begin the question and answer session. If you have a question, please press star then 100 touchtone phone. If you wish to be removed from the queue, please press the pound or hash nine. There will be a delay before the first lesson is announced. If using a speakerphone, you may need to pick up the speaker first before passing numbers. Once again, if you have a question, please press star then 100 touchtone phone. And actually, Sherry joined as well.

Okay, great. Hey, Sherry.

Hi, Paulie. I am on. >> At this time we have no audio questions.

Sherry, is there anything that you think is important to, considering what we just went over? >> No, I think it is important and jewelry iterated it a couple of times, that if you don't understand, you need to ask. You should never take for granted what the numbers say. If you have a question on them, follow up and ask and we understand them.

Once again, if you have a question, please press star then one on your touchtone phone.

[Pause]

At this time, we have no audio questions.

All right, well, I really appreciate your time and attention. If you do wind up having questions later, please don't hesitate to reach out and shoot me an e-mail or give me a call. I am available to you and when I can't answer because I am not a P&A, I reach out to our rock stars in the network, like Sherry, to help me out with those. Actually, I see somebody is typing a question, hopefully, in the chat box. The Nash >> [Pause] >> Thank you for the kind kudos. I appreciate them. Feel free to get in touch, as I keep saying, I'm here to help. And also, encourage your fellow board members to join these calls and if they can't find them live, to take a look and listen to these presentations on their own. Each one of these master classes has been recorded and the presentation materials are available online for you to access at any time, and I think would be useful for your orientation as you move along. Our next master class is going to be in January, and it is going to be on recruiting board members. The reminder e-mail that I sent out today already has the registration information link. So, if you want to go ahead and register today, go for it. Like I said, please pass it on to your board meets and advisory Council friends, and thank you very much for your time and attention. Goodbye. >> Thank you, ladies and

gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect. >> [Event concluded]