



Your Controller Just Left? Don't Panic!

By Heather Merriam, Senior Search Consultant

Word to the wise: When contemplating launching a search for a senior financial professional (as in Director of Finance, Controller, CFO): Take. Your. Time. How, the panicked ED may ask, is it possible for me to take my time? My controller, who has been here longer than I have, just left. Their office is a mess, and I don't even know the password to Peachtree! It is your divine right to panic. The accounting/finance staff of any nonprofit hold the key to your books, and are the lynchpin for your operations. To not have a chief accountant, even for a few days, can spell chaos.

Somewhere on the Controller's abandoned desk is a pile of unpaid invoices. In a secret drawer are checks that need depositing. The payroll vendor, accounting system software, and hard drive of your MIA Controller all require passwords which are unknown to you. Finally, you were waiting for critical information so that you could report to your board and other grantors yesterday. You cannot be blamed for wanting to react to this awful situation by launching an immediate search to find someone, anyone, to replace them quickly and end your pain. But hold on, shouldn't the first priority be to get your organization's immediate needs met?

Perhaps you are an executive director with an accounting background who can jump in to cover the vacuum. Wonderful. Or perhaps your board has a not-very-busy CPA treasurer who can rescue you -- even more wonderful. But if the staff and volunteer know-how is lacking, we highly recommend hiring a senior interim who can jump in, take care of the organization's immediate needs, and work with you to assess the condition of your financials, your systems, while at the same time doing the nuts and bolts accounting. (If you are in this situation and would like a list of interim financial professionals, please ask us.)

When you and your organization have deeply inhaled and then exhaled, ask yourselves the following questions:

1. How complicated is your organization's accounting? For example, what is the percentage of restricted vs unrestricted funds, how many different grants do you receive, and what are the requirements of each? Most importantly, is your organization up to date in reporting to donors?
2. When is the last time the organization's accounting procedures and processes were audited or thoroughly reviewed by a CPA? There could be systems issues that you, the ED, were not aware of.
3. Is 501(c)(3) registration up to date? And have you been reporting to the IRS on time?
4. What support staff are in place, such as a bookkeeper who understands and uses your accounting system software?
5. Do the duties need to be realigned to reflect the organization's needs?

When you get to the point where you determine the financial needs of the organization, you are ready to develop the job requirements. Think creatively -- if you determine that a senior skillset is required but your organization can't afford a full-time person, consider a part-time senior person. Many controller-level accountants don't mind the variety of working for more than one good cause.

It's not a bad idea to start your search with an ad on Craigslist and/or LinkedIn. In addition, put the word out to your Executive Director and other networks. If it proves difficult to find a qualified candidate because you've learned that you need a special skillset, or that there is a shortage of qualified applicants, please give us a call.