

## FINDING A FINANCE DIRECTOR

Over the past few months, I've assisted several Executive Directors in finding a new CFO for their organization. Perhaps I should have chosen a career in matchmaking. I get a great deal of satisfaction from bringing together a great person and a great organization. I would like to share some lessons learned doing these searches that might help the next time you are looking for a CFO. Many of these tips will work when hiring other positions.

**Lesson 1** - Make sure that you have a complete and accurate job description before you start the process. If your CFO is expected to handle HR and IT duties, make sure that is reflected in the description. Include a list of staff that will be reporting to the CFO; if no direct reports, disclose that. Decide the salary range before you start the process. Ensure that the job description and salary are in synch.

**Lesson 2** – Be selective in your advertising. If you advertise widely, you will get a lot of useless resumes. I find that a listing on Idealist.org which is geared to the nonprofit market and on the Maryland Association of Nonprofit Organizations job site attracts candidates with the right experience.

**Lesson 4** - Send out an email announcing the position to your colleagues, your auditor, and key vendors. They may know someone who is looking for a job. Of course, skip this step if you are replacing an incumbent who doesn't know that he/she is being replaced.

**Lesson 5** - Don't put the salary range in the ad itself. Even though salaries are seldom a secret, disclosing a range in an ad gives license for other staff to openly complain about their own pay. Include in the ad a statement such as "For a complete job description and salary range, email xxxx@xxxx.org." Then send the information to the requestor.

**Lesson 6** – Decide what qualifications and experience are important to you. Develop a check list and score the resumes. If having a CPA is important, you may decide to award 5 points. If nonprofit experience is relevant, give 10 points for 10 years, 5 points for 5 years. If HR work is desirable, come up with points for that. Score the resumes of the most qualified applicants based on your point system, and pick the top six or eight candidates for the first interview. Be objective at this stage of the recruitment process. Neither the resume font nor a hobby of orchid growing should count for much.

**Lesson 7** (especially for the CFO position) – Screen the top six or eight candidates by phone to ensure they have the necessary technical skills for the job. Sample questions may include having them describe what accrued vacation is and how it impacts the financial reports, explain the concept of a related party transaction that would be reported on an audit, and the meaning of A-133 to a nonprofit. I generally come up with eight to ten questions. You might want to ask a skilled board treasurer or your auditor for suggestions on questions (and if you are asking the

questions, make sure you have the answers.) Candidates should be able to answer at least three-quarters to “pass”.

**Lesson 8** – Only bring in three or four candidates for actual interviews. Studies show that if one is given too many choices, a person is apt to be indecisive. All candidates should have the technical skills, so at this point the selection is based on more subjective measures. Does the person understand the organization’s mission, does the person have a personality that will work well in the office? Develop a list of questions before the interviews and use the same list with all candidates.

After going through this process, you should have at least one viable candidate and be ready to make an offer.

In addition to helping nonprofits find CFO’s (and other positions), Nancy Hall provides consulting and training services in the areas of finance, administration, and organizational structure.

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