

The Chief Financial Officer

An Overview of the Responsibilities of the CFO

So exactly what does a Chief Financial Officer (CFO) do? This is a dangerous question for any CFO but particularly a Fractional CFO who splits time between multiple companies. Because the list is lengthy and impossible for any one individual to manage (regardless of the size of the company), most companies have an "Office of the CFO" with the number of team members ranging from a few to hundreds. Thus, the key role or most critical responsibility of the CFO is to know what is most important and when. The CFO is responsible for the oversight and controls of the organization but also must constantly be paying attention to changes that require a shifting of priorities. In a Fractional CFO relationship, the CFO must understand and focus on the most critical priorities ensuring the financials are accurate and the company is in compliance with critical relationships. No two client engagements are the same so the CFO must develop the right team and design the needed processes to assist in the company's growth. The list below is certainly not exhaustive but provide a basic outline of what a CFO faces in an organization. A Fractional CFO engagement will include a "portion" of the responsibilities below based on the needs identified.

<p>Fundamental Accounting</p> <ul style="list-style-type: none">• Oversee basic bookkeeping functions• Supervise accounts payable functions (PO's, bills, payments, wire transfers)• Supervise accounts receivable functions (sales orders, invoices, receipts, batched receipts)• Reconcile bank statements and review uncleared transactions• Provide or oversee payroll• Develop chart of accounts• Verify transactions are coded correctly• Develop billing and payment platform <p>Advanced Accounting</p> <ul style="list-style-type: none">• Develop and oversee monthly closing procedures• Ensure accrual accounting and GAAP compliance as required• Calculate deferred revenue, prepaid costs, commissions, royalties and accrued liabilities• Allocate payroll to departments• Internally audit Balance Sheet balances• Develop cash flow forecasts• Develop financial analysis as needed <p>Structure</p> <ul style="list-style-type: none">• Oversee organizational structure and design• Provide guidance on team development and KPI's for teams and departments• Monitor regulatory and tax changes to determine future structural changes <p>Tax</p> <ul style="list-style-type: none">• Determine sales tax filing requirements and Nexus issues• Oversee relationship with tax advisor• Prepare tax preparation packages for tax advisor• File property tax reports	<p>Reporting</p> <ul style="list-style-type: none">• Provide financial statements for management and outside parties• Provide ad hoc reports for team members• Provide audits for insurance providers <p>Relationships</p> <ul style="list-style-type: none">• Manage financial audits• Assist in shareholder relationships• Manage banking relationships• Assist in team member reviews and accountability• Manage relationships with benefit providers• Work with HR team and/or provide HR functions• Train all accounting personnel and other team members as needed <p>Insurance</p> <ul style="list-style-type: none">• Oversee insurance requirements• Manage relationships with insurance agents• Provide reporting to insurance providers• Manage applications <p>Training</p> <ul style="list-style-type: none">• Train team members in various requirements in accounting and other functions• Provide training on various accounting software, ERP and communication platforms• Manage transition of team members to ensure bench strength of accounting team
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Corporate Governance

- Assist legal team or advisor in ensuring compliance with structure requirements
- Oversee filing of necessary reports and returns
- Build controls and processes to protect company assets
- Builds risk management plans
- Foresees changes in requirements as the organization grows
- Develop quarterly, annual and long-term expectations

Regulatory Requirements

- Ensure filings with local, state and federal authorities
- Oversee registration with various agencies
- Work with legal advisor and tax advisors to determine liability positions
- Assist in developing risk analysis

Information Systems

- Work with IT and/or provide basic information systems requirements
- Build processes between IT and accounting to ensure data is accurate
- Build team tools
- Manage relationship with outside providers

Mergers and Acquisitions

- Perform due diligence on possible acquisition targets
- Build basic acquisition strategy taking tax consequences into consideration
- Build and work with legal advisors, investment bankers and other outside parties
- Prepare the company and reporting to accurately reflect the cash flow and performance of the company to maximize value in an exit
- Provide basic valuations based on EBITDA targets and anticipated cash flow

Business Intelligence

- Provide dashboards
- Develop company and team key performance indicators
- Gather data for comparison
- Develop goals and targets to ensure company is performing to expected standards

Leadership

- Teach and help other company leaders and team members to understand the financial reporting
- Provide guidance on company health and performance results
- Participate with "C" team in developing company strategy
- Assist other leaders in development of culture and accountability
- Provide overall leadership and example
- Develop compensation programs
- Guide team members toward company goals

Banking

- Develop and maintain banking relationships
- Manage loan applications
- Strategize with bankers to provide needed company resources

