

# CHIEF FINANCIAL OFFICER (CFO) COMPETENCIES DOMAINS, SKILLS/TASKS AND DEFINITIONS

June 2018



NATIONAL ASSOCIATION OF  
Community Health Centers

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# Chief Financial Officer (CFO)

## Competencies Domains, Skills/Tasks and Definitions

### Chief Financial Officer Role Summary

Key member of the Senior Management Team who oversees all fiscal and fiduciary responsibilities for the health center in conjunction with the Board of Directors and the CEO. Establishes organizational standards, policies and procedures and assures compliance for finance, accounting, regulatory and reimbursement operations. Manages and protects the health center’s assets. Provides timely and accurate reports/statements, decision-support, information and advice to the Chief Executive Officer (CEO) and other members of Senior Management. Leads with personal integrity, respect for individuals, commitment to excellence and active engagement in the health center movement on local, state and national levels.

DOMAINS	SKILLS/TASKS
<p><b>A. Accounting &amp; Finance Operations</b></p> <p><i>Assessing, evaluating and implementing management accounting and performance management systems for planning, measuring, controlling, monitoring, forecasting and reporting the financial performance of the health center. Assuring that all financial, accounting and administrative policies, functions, systems and processes are performed consistent with all Generally Accepted Accounting Principles (GAAP) as well as within the highest professional, ethical and legal standards.</i></p>	<ol style="list-style-type: none"> <li>1. Ensure that finance operations, policies and procedures are consistent with generally-accepted accounting principles and are aligned with all federal, state, private and certification board regulations.</li> <li>2. Ensure the development and effective management of accurate and efficient systems and processes for the health center’s finance functions (e.g., planning, budgeting, forecasting, accounting, billing, credit/collections, grants administration and reporting and decision support of financial and operational outcomes).</li> <li>3. Ensure the health center’s capital budget and resources are strategically aligned and effectively managed.</li> <li>4. Ensure that financial and administrative operations are continuously aligned.</li> <li>5. Utilize generally accepted financial tools and systems (including internal controls) to generate/analyze data for successful safeguarding of health center assets.</li> <li>6. Ensure timely, accurate, and (as appropriate) broadly distributed fiscal reporting as required for internal/external business communications, decision making and financial management.</li> <li>7. Investigate, conduct financial analyses and make recommendations to help guide decision-making re: health center initiatives with major financial components or consequences [e.g., Federal 340B drug program; Federal Torts Claims Act (FTCA) liability protection program; and/or new/alternative organizational models and opportunities, such as mergers/acquisitions, major expansion, financing alternatives, etc.].</li> <li>8. Manage receivables (outside of patient A/R), banking, cash and investments by optimizing bank and deposit relationships and initiating appropriate strategies to enhance cash position/cash flow.</li> <li>9. From a finance perspective, and in conjunction with Human Resources (HR), support the identification of optimal staffing models, compensation &amp; benefits and payroll, including providers.</li> <li>10. Direct the purchasing functions (e.g., contract solicitation and maintenance, vendor selection, organization policies and procedures, etc.).</li> <li>11. Oversee financial and pension audits including compliance with all applicable laws and reporting requirements and correspondence with external auditor and state/federal agencies.</li> </ol>

DOMAINS	SKILLS/TASKS
<p><b>B. Grants Management</b></p> <p><i>Managing the financial tasks required for grant applications and management of grant funds while ensuring financial compliance with all applicable requirements.</i></p>	<ol style="list-style-type: none"> <li>1. Ensure timely and successful completion of financial components of health center grant applications, including Section 330 funding.</li> <li>2. Appropriately track and monitor all private donor contributions (individual/corporate/private foundation/other).</li> <li>3. Ensure financial compliance with all grant requirements (including Section 330) and Health Resources and Services Administration (HRSA) mandates.</li> <li>4. Ensure complete, accurate and timely payer billing and grant draw-downs/reimbursement to enable sufficient cash flow for ongoing health center activities.</li> </ol>
<p><b>C. Health Information Technology</b></p> <p><i>Using secure technology to ensure that health information is confidential, available when and where it is needed and contributes to safer, higher quality, more coordinated, more efficient and less costly care for everyone.</i></p>	<ol style="list-style-type: none"> <li>1. In collaboration with the Information Technology (IT) department, lead Health Information Technology (HIT) and financial management systems development/selection &amp; implementation for accounting, billing, reporting and decision support.</li> <li>2. Ensure interoperability between/among technologies, in order to optimize financial results.</li> <li>3. Know and appropriately utilize Electronic Health Records (EHRs), Personal Health Records (PHRs), Practice Management Software (PMSs) and other technologies as appropriate for financial operations and reimbursement.</li> <li>4. Ensure that IT infrastructure and staffing optimally support health center operations from a financial perspective.</li> <li>5. Demonstrate understanding of and ability to effectively manage and utilize necessary office technologies and software (communications, array/analysis, presentation, etc.).</li> </ol>
<p><b>D. Organizational Leadership &amp; Effectiveness</b></p> <p><i>Managing resources and leading the health center effectively and ethically, understanding stakeholder needs and priorities, the health care environment and the unique dynamics of the health center model.</i></p>	<ol style="list-style-type: none"> <li>1. Advocate for the health center mission, values and culture.</li> <li>2. Model appropriate behaviors and expect others to adhere to all health center policies, procedures, regulations and laws (moral leadership).</li> <li>3. Lead the development and alignment of the financial components of the health center's strategic plan.</li> <li>4. Identify learning needs and advocate for training and technical support to properly implement financial policies and procedures; continuously educate executives/management and empower them to inform, train and support all staff members.</li> <li>5. Advocate for genuine diversity and appropriate inclusion within the Board of Directors, staff, health center-related community groups and vendors.</li> <li>6. Model and promote sensitivity to diverse cultures, behaviors and illness perspectives of patients, families and health center staff.</li> <li>7. Maintain strong, positive and mutually-supportive relationships with the health center's Board of Directors, leadership and staff.</li> <li>8. Understand and manage the unique dynamics of the health center model and their impacts on the effectiveness of the finance function and CFO role.</li> <li>9. Maintain and utilize knowledge of current trends and information in health care (including regulations and reimbursement), the health center movement and Financial Planning and Management in daily decision-making and information sharing.</li> <li>10. Identify health center opportunities continuously through active participation in industry networks.</li> </ol>

DOMAINS	SKILLS/TASKS
<p><b>E. Professionalism, Personal Integrity &amp; Effectiveness</b></p> <p><i>Applying knowledge, sensitivity and judgment to act effectively and with personal integrity in accordance with the fundamental principles of professional and personal ethical behavior; and effectively managing self and resources to achieve the health center mission and objectives.</i></p>	<ol style="list-style-type: none"> <li>1. Demonstrate commitment to the highest standards of ethical responsibility, credibility and trustworthiness.</li> <li>2. Proactively and continually assess personal strengths/challenges and manage learning and guidance needs (e.g., participate in structured self-assessments and education, seek feedback and guidance and lifelong learning, etc.).</li> <li>3. Maintain knowledge of current trends and information in health care, the health center movement and Financial Planning and Management.</li> <li>4. Seek out engagement in local, state, national and international opportunities for professional development and health center movement advocacy.</li> <li>5. Communicate and listen effectively.</li> <li>6. Lead and/or participate in collaborative group projects with good outcomes.</li> <li>7. Maintain work-life balance and personal health.</li> </ol>
<p><b>F. Quality Management/Improvement</b></p> <p><i>Designing and implementing policies and systematic processes to measure, analyze and improve organizational performance resulting in greater efficiency, cost-effectiveness and satisfaction.</i></p>	<ol style="list-style-type: none"> <li>1. Ensure utilization of proven quality tools and techniques to foster continual improvement in financial management (measurement, guidelines analysis, PDSA cycles, benchmarking, LEAN Management, etc.) while actively participating (self and finance team) in the health center’s Quality Management program.</li> <li>2. Ensure regulatory, reimbursement, accreditation (e.g., JCAHO) and other quality reporting and compliance requirements are met.</li> <li>3. Ensure center compliance with financial aspects of ongoing accreditation and Patient Centered Medical Home (PCMH) recognition.</li> <li>4. Maintain awareness, consideration and integration of Quadruple Aim objectives in all quality initiatives.</li> <li>5. Evaluate the finance department structure, policies, processes and organizational impact for continual improvement of the efficiency and effectiveness of the group and provide opportunities for professional growth of individuals.</li> </ol>
<p><b>G. Reimbursement &amp; Revenue Cycle</b></p> <p><i>Applying knowledge of traditional and alternative reimbursement models, key performance indicators, and policies and procedures to assure optimal decision-making and compliance with all applicable requirements, regulations and laws..</i></p>	<ol style="list-style-type: none"> <li>1. Guide health center staff in understanding critical revenue cycle/reimbursement mechanisms and issues.</li> <li>2. Negotiate and monitor payer contracts to include optimizing rates, building revenue, meeting agreed upon reimbursement and adhering to policies.</li> <li>3. Help guide investigation, analysis, and decision-making regarding alternative reimbursement models (e.g., Accountable Care Organization (ACO)/value-based models, risk-based reimbursement, etc.).</li> <li>4. Ensure that the health center successfully addresses state Medicaid and Federal Medicare Federally Qualified Health Center (FQHC) Prospective Payment System (PPS) reimbursement rate issues and optimizes related rates.</li> <li>5. Assure processes are in place to educate/inform the optimization of the revenue cycle within the context of the reimbursement method for all administrative and clinical functions that contribute to the capture, management, and collection of patient service revenue.</li> <li>6. Identify key performance indicators showing the strengths and weaknesses of the organization.</li> </ol>

DOMAINS	SKILLS/TASKS
<p><b>H. Risk Management</b></p> <p><i>Designing and implementing policies and systematic internal audit and control processes to assess, manage and mitigate threats to the health center's financial and business viability.</i></p>	<ol style="list-style-type: none"> <li>1. Lead finance and accounting-related risk management activities and Enterprise Risk Management (ERM) program.</li> <li>2. Establish and/or measure finance and operating compliance with all internal policies and practices, as well as local, state and federal laws and regulations.</li> <li>3. Ensure finance team successfully adopts ongoing risk management awareness and approaches.</li> <li>4. Negotiate and oversee managed care, risk-based and accountable care organization contracting.</li> <li>5. Oversee Medicaid Integrity Program, contractors and recovery audit contractors.</li> </ol>
<p><b>I. Stakeholder Advocacy &amp; Collaboration</b></p> <p><i>Identifying, developing and maintaining collaborative relationships and communications with key stakeholders; managing stakeholder expectations and needs; aligning the organization to key stakeholder requirements.</i></p>	<ol style="list-style-type: none"> <li>1. Cultivate and maintain strategic external relationships [including, but not limited to federal/HRSA, state and local regulatory agencies; Primary Care Associations (PCAs); National Professional Organizations; Chambers of Commerce; Vendors; Grantors/Funders/Bankers/Lenders; Auditors; Insurance (Liability, Health, etc.) and others as needed].</li> <li>2. Help generate mutually beneficial partnerships and collaborations with internal team members and external stakeholders sharing common financial objectives.</li> <li>3. Continuously advocate for the health center and its community role with appropriate external entities.</li> <li>4. Guide finance team in learning about and taking an active role in community mobilization around health care reform and related issues.</li> <li>5. Advocate for the health center and the health center movement with lawmakers and other agency/association/cause leaders (local, state and national).</li> <li>6. Prepare and communicate business reports to support stakeholder understanding and decision making.</li> </ol>
<p><b>J. Strategy &amp; Innovation</b></p> <p><i>Strategically assessing and evaluating courses of action and identifying imaginative opportunities to improve performance and position; implementing innovative and cost-effective solutions leading to effective change management and business process improvement.</i></p>	<ol style="list-style-type: none"> <li>1. Demonstrate business acumen and creativity in strategic finance and budget planning.</li> <li>2. Identify and evaluate a range of strategic options for funding operations and capital development, enabling and executing the strategic plan.</li> <li>3. Adopt and apply innovative methods and technologies to implement strategy and manage change.</li> <li>4. Contribute relevant healthcare environment trends, threats, risks &amp; opportunities to developing and existing projects/ventures.</li> <li>5. Strive to maintain both a big-picture and detailed systems orientation.</li> </ol>

DOMAINS	SKILLS/TASKS
<p><b>K. Team Growth, Development and Engagement</b></p> <p><i>Facilitating the development of knowledge, attitudes, skills and behaviors necessary for team members to function together with a high degree of engagement and satisfaction within the department and the health center and at the highest possible levels of effective performance.</i></p>	<ol style="list-style-type: none"> <li>1. Hire, orient, retain, develop and ensure effective HR management of high-performing team members.</li> <li>2. Optimize team and individual performance in service to the health center and its mission (e.g., manage expectations; provide timely feedback and recognition; ensure individuals have the knowledge, skills, mindset and support needed, etc.).</li> <li>3. Mentor key members of the finance team to build strong leaders for the future (includes succession planning).</li> <li>4. Model and create a work environment where staff members demonstrate unconditional respect, collaboration and kindness within the finance department and health center (includes all staff, Board of Directors, patients, families and community residents).</li> <li>5. Model and coach team members to develop self-awareness, knowledge, sensitivity, respect and openness to cultural differences.</li> <li>6. Facilitate self and team knowledge and utilization of Emotional Intelligence concepts and strategies to improve interpersonal communications and effectiveness.</li> <li>7. Lead the finance team with a transformational mindset, effectively manage change and engage the team.</li> <li>8. Model and facilitate finance team understanding and implementation of appropriate self-care/work-life balance (e.g., demonstrate knowledge of the causes and effects of the lack of self-care, identify instances of lack of successful self-care, offer effective self-care improvement and maintenance strategies, etc.).</li> </ol>

## Acknowledgements

The National Association of Community Health Centers wishes to acknowledge the following for their contributions:

**Brent Copen**, CFO, Tiburcio Vásquez Health Center, Inc

**Mike Schnake**, Board Member, Jordan Valley community health center

**Mike Tracy**, Managing Principal, Omni

**Maria Coppenrath**, CFO, Edward Kennedy CHC

**Barrett Hatches**, CEO, Chicago Family Health

**Roger Rego**, Finance Director, Bridge Community Health Clinic

**Tarsha Jackson**, CFO, Charles Drew Health Center

**Annette Franta**, CFO, Mountain Family Health Center

**Denise Mayhan, PhD**, President/CEO, Inspired Solutions Enterprises, Inc.

**Peyton G. Townes, Jr.**

**Gervean Williams**, Director of Finance, NACHC

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This project was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under cooperative agreement number U30CS16089, Technical Assistance to Community and Migrant Health Centers and Homeless for \$6,375,000.00 with 0% percent of the total NCA project financed with non-federal sources. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government”.