

**Minnesota Council of Nonprofits:
Organizational Financial Literacy and Staff Empowerment
(Reviewed by MCN's board of directors 11/22/22)**

The Minnesota Council of Nonprofits (MCN) seeks to provide meaningful employment experiences that build relevant skills and deepen employees' knowledge of perennial topics related to nonprofit management and governance. Financial information and literacy is a form of power. Equipping staff with information, language, analysis, and support to understand and engage with the organization's budgeting process and fiscal analysis is an expression of MCN's commitment to equity. Investing in staff in this way builds a stronger MCN team, which both leads to a stronger organization and better support for nonprofit members.

The following document provides a high-level outline of the varying expectations and responsibilities of MCN staff related to organizational budgeting. The document is not meant to articulate specific financial procedures, which are separately outlined in MCN's Financial Procedures Manual ([Financial procedures manual 12.16.2020.pdf](#)).

- All staff – Informed, Input: All staff are expected to have a baseline knowledge of the overall size of MCN's operating budget; generally how the organization is financed (ie. major sources of income); a general sense of the level of restrictions on income and fixedness of expenses; and how their unique role contributes to the larger financial picture of the organization.
- Managers and up – Responsible: Managers are additionally expected to have some level of accountability to certain aspects of income and expense lines related to their work such as informing goal setting; partnering with directors to monitor spending and evaluate progress on goals; and sharing ideas that help advance the mission of the organization and generate income.
- Directors and up – Accountable: Directors are additionally expected to have a complete picture of their department's major funding sources and expenses; oversee spending decisions; monitor, evaluate, and report progress over the course of the year; partner with executive leadership and board in identifying and actualizing MCN's overarching financial strategy (such as growth, sustainability, etc.); support the budget-fluency of direct reports and include them in the departmental budget development process.
- Executive Director and Associate Director – Assimilation, facilitation, and decision-making: The ED/AD are additionally expected to assimilate disparate departments across the organization into one unifying financial picture, strategy, and sustainable plan. The ED/AD help inform and educate staff and board on the full picture, and hold ultimate higher-level decision-making authority on the managerial and operational aspects of budgeting.

- Board – Fiduciary oversight and legal compliance: The board holds ultimate responsibility and oversight for MCN’s financial strategy, sustainability, and compliance to applicable laws and standards.