

Christy Lueders: From Volunteer Fundraiser to a Decade as Full-time CFO

Position: Senior Vice President and chief financial officer (CFO), YMCA of Greater Seattle

Start Date: September 1996

Education/Certification: BS, Finance, California State University; MBA, Finance, University of Southern California; Certified Management Accountant

Previous For-Profit Experience: Over 20 years in commercial banking

Previous Nonprofit Experience: Volunteer board and committee involvement in TreeHouse; Financial Executives International Seattle chapter; YMCA of Greater Seattle; Seattle Country Day School

Organization Information: Human services; founded in 1876; based in Seattle, WA; 450 to 1800 (part-time and seasonal) staff; \$57 million budget

What brought you to the YMCA of Greater Seattle, and what were you doing before you began working there as senior vice president/CFO?

Christy Lueders: In 1993, I started volunteering for the Y, doing fundraising. The Y has an annual fundraising campaign called Partners with Youth where they raise money for kids who couldn't otherwise participate in Y activities. The campaign is almost entirely run by volunteers, and the bank I worked at encourages people to get involved. At the time I was involved with commercial lending at West One Bank/U.S. Bank.

Over three years of volunteering at the Y, I went from volunteer to team leader to division leader. I met Neil Nicholl, President of the YMCA of Greater Seattle, and was very impressed with him. One day, the CFO at the YMCA called me and said he was moving to the Houston Y and asked if I would be interested in interviewing for the position.

What attracted you to the YMCA position in particular?

Lueders: I had not really thought about joining a nonprofit; it was not what I was looking for. But I knew some of the players and the more people I met, the more

intrigued I became with the opportunity. It seemed like a natural move for me. I was at a point in my career when I was interested in something more meaningful. I wanted to do something that made a difference, something that mattered. Also, the YMCA is frankly a pretty challenging and complex organization. The Y is unlike many other nonprofits in that 80% of the budget is earned revenue. It's similar to running a business and there's no end of challenging projects.

What is your role as senior vice president/CFO?

Lueders: I'm responsible for our accounting, information systems, and risk management across 16 YMCA branches in the Greater Seattle area. As the organization has grown from \$27 million in revenues in 1996 to \$57 million in 2006, I've also taken on responsibility for legal affairs. I review all our contracts and am the liaison with our legal counsel. In addition, I've been given responsibility for measuring our success with the strategic plan, and for outcome measurement. I attend all the board meetings and staff the finance committee, audit committee, and investment committee. Working with the investment committee to manage our \$26 million endowment and operating reserves is a particularly enjoyable part of my job. It involves managing the money and coming up with good asset allocations—and I have experts on the committees that generously give their time to us.

What types of technical challenges did you face when you first joined the YMCA? What challenges do you face now?

Lueders: When I first came to the Y in 1996 we didn't have email and we didn't have a local area network. One of the first things I did was hire an information systems director so we could install new technology and upgrade things. That was a big challenge! We did a lot on a shoestring budget. I also faced a pretty steep learning curve in learning nonprofit accounting; it's definitely different. There were three FASB [Financial Accounting Standards Board] standards, 116, 117, and 124, that I had to get familiar with really quickly. I had to learn about the restrictions on revenues for donors and the legal constraints involved with being a 501(c)(3) nonprofit organization.

In addition, it was challenging to understand how the Y treated reserves on its balance sheet. Our internal reporting was not done by Generally Accepted Accounting Principles (GAAP) standards, and every year our audit numbers would be wildly different from what our internal statements showed. I quickly learned that we wanted to do GAAP reporting internally and treat our internal charges, inter-association charges, and transfer pricing differently.

Now, in 2006, we're about to go through a growth phase and are considering adding four more branches. We've launched a large capital campaign supplemented with tax-exempt debt, and that's been challenging for me on the financial side. I'm very involved with financing, facility planning, construction planning, and staffing for these new branches, in addition to getting them into our computer systems. I'm grappling with how to change our corporate structure. How big can

a span of control be? Do we need to reorganize? And can the corporate staff handle that much more business? There are a lot of infrastructure issues related to financing growth.

What other types of challenges have you faced?

Lueders: The politics and internal culture of the organization are different from my experience in the for-profit world. I was coming from a world where financial performance was paramount. In contrast, here at the YMCA we focus on how many and how well we are serving people. We do pride ourselves on being good fiscal managers, but we recognize that not every community has resources to make things work financially. Secondly, resources are definitely constrained. We never have enough staff. This is not specifically a nonprofit thing, but I've had to keep my eyes open about the resource limitations. Lastly, the volunteer orientation has been a challenge. The culture of collaborative decision-making is a big difference between nonprofits and for-profits. Say we're going to build a new branch and purchase land. The board guides our strategy; they make that decision. My role, and that of my team, is to give them facts and a recommendation, but ultimately it's their choice.

What advice do you have for other CFO job seekers?

Lueders: Be really clear about what's important to you in your career and what you find rewarding. Research opportunities carefully, there are so many research materials available, including GuideStar, posted information about 990s, the Independent Sector, Jim Collins' Good to Great for the Social Sectors monograph, books—there's a wealth of materials available. Take with you to the nonprofit sector the same level of professionalism and adherence to sound financial practices as you had in the for-profit world.

There are no distinctions there. In the nonprofit sector, it's not a lesser level of fiduciary responsibility; in fact, it might even be greater because more constituents are affected by it. Everything you do is public, everyone is looking at everything. You have to be very transparent.

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