Frequently Asked Questions: Becoming a CFO

We developed these questions and answers based on in-depth interviews and focus groups with 25 nonprofit chief financial officers (CFOs) and 15 nonprofit technical assistance providers and funders. We also tapped into the Bridgestar talent-matching team’s deep experience with recruiting and placing nonprofit CFOs. The CFOs interviewed represent a diversity of industry sub-sectors, budget sizes, funding sources, organizational growth stages, and individual backgrounds and tenures.

About the role

Q: What is a CFO?
A: Nonprofit CFO positions vary widely from organization to organization. For the purposes of this discussion, however, we will consider any senior manager who oversees an organization’s accounting and finances to be a CFO. Other titles organizations use for this position include: chief financial and administrative officer, director of financial services, senior director of finance, director of finance, director of finance and administration, director of finance and operations, finance director, and fiscal director.

Q: What do nonprofit CFOs do?
A: CFO roles vary across organizations, depending on the size and complexity of the organization. Organizations with budgets below $1.5 million often cannot afford and/or don’t need the specialized skills of a CFO.

CFOs of organizations with budgets between $1.5 million and $10 million (which we’ll call “small” here) tend to have responsibility for multiple areas, including accounting, real estate, technology, legal, and administration.

In contrast, CFOs of organizations with budgets over $40 million (“large”) more often focus tightly on accounting and finance issues, including oversight of the organization’s investment strategy and endowment.

For organizations in the $10 million to $40 million budget range (“medium”), CFO positions can be similar to those at either large or small organizations, depending on the complexity of the organization’s programs and revenue sources. If a mid-sized organization offers highly diverse programs (such as multiple income-generating businesses or programs in multiple sites) or if its funding comes from several sources (government contracts and earned income, for example), then the CFO function would probably have a narrow focus like that at a large organization. The job of a CFO at a mid-sized organization with
less complex funding (say, mainly gifts from individuals) or relatively simple programming would probably resemble the small-organization model.¹

**Q: When and why do nonprofits create CFO positions?**

**A:** Nonprofits usually introduce the CFO position to accommodate one or more of the following needs:

- Bringing a strategic, high-level perspective to the organization’s finance and accounting needs.
- Building the organization’s capacity to manage its finances as it grows in size and/or complexity.
- Reducing excessive executive director (ED) and/or chief operating officer (COO) workload in the areas of finance, administration, real estate, technology, or legal.
- Balancing or supplementing the skills of the controller or other finance team members.
- Partnering with the ED and COO to make decisions through a financial lens and educate staff on financial literacy.

The organization’s reasons for creating the CFO position will influence how the role is defined and structured and what skills and qualities the organization will be seeking in candidates.

**Q: What are the differences between the roles and responsibilities of a controller and a CFO?**

**A:** Hiring organizations use a multitude of titles for the people who oversee their finance functions. The title used for the top financial position is often CFO in larger organizations and director of finance in small to medium ones. Some organizations may use the title controller. The choice of titles is often based on creating symmetry and synergy with the overall structure of an organization (i.e., all senior management positions are “director of xyz” vs. “chief xyz officer”). So it is often difficult to tell the scope of the job simply by the title.

Even though organizations may use the titles interchangeably, there are key differences between a controller and a CFO. A controller tends to be more focused on producing financial statements and managing the technical aspects of accounting and finance, such as accounts receivable and payable. The CFO is usually more strategic in nature: creating the budget for the organization; analyzing the financial statements; and interpreting the implications for the organization. Janice Bigelow, CFO of Communities In Schools, explained, “There’s definitely a difference between the controller and CFO positions. The CFO role gets you a seat at the executive staff table where strategic decisions are being made. The controller role typically does not.”

It is important to look carefully at the responsibilities of the position and assess how much high-level strategy is involved to determine whether it is more of a CFO or a controller position. Another clue is whether the position reports directly to the ED (more likely a CFO) or to another senior manager (more typical of a controller).

**Q: How is nonprofit accounting different from for-profit accounting?**

**A:** According to the Alliance for Nonprofit Management\(^2\), a membership association that delivers management and governance support services to nonprofit organizations, anyone familiar with general accounting principles and practices will find most accounting for nonprofit activity to be very familiar. However, the Alliance cites some significant differences, including:

- **Accounting for contributions.** Nonprofits are entitled to receive contributions that are tax deductible to the donor. Since this is unique to the nonprofit sector, there is no basis for comparison in for-profit accounting. Special procedures have been established for handling and tracking different types of contributions, including pledges, donated materials and services, and special events and membership dues. Because many contributions are restricted as to their use, donor restrictions must be tracked and systems established to ensure compliance.

- **Capitalizing and depreciating assets.** While for-profits and nonprofits alike are required to depreciate assets, some assets in the nonprofit sector receive special treatment. These include museum collections, historical buildings, library books, and zoo animals.

- **Use of cash-basis and modified cash-basis accounting.** Most for-profit businesses track expenses and revenues using accrual accounting. In contrast, many small nonprofits use cash-basis accounting, meaning they only record revenue when the cash is received, and only record expenses when they are paid. In addition, some nonprofits use a modified-cash basis of accounting, where some revenue or expense items are recorded on an accrual basis while others are recorded on a cash basis. Hilda Polanco, Managing Director of Fiscal Management Associates, cautioned that “Although many small nonprofits do use the cash basis, we do not recommend it. When we become involved with an organization, we convert its accounting to an accrual basis.”

- **Functional expense classification.** Nonprofits are required to report their expenses by what is known as their functional expense classifications, namely program services and supporting activities (e.g., management and general activities, fundraising, and membership development).

---

Practices vary widely from organization to organization in the nonprofit sector as to how expenses are categorized by functional areas.

Q: What sorts of governmental regulations and oversight does a nonprofit CFO face?
A: All nonprofits are accountable to the government. The Internal Revenue Service issues tax-exempt status to nonprofit organizations and regulates those organizations’ activities to ensure they are fulfilling their charitable purpose. Many nonprofits must file an annual IRS Form 990. This form includes information on the organization’s mission, programs, and finances. The GuideStar website (www.guidestar.org) publishes Form 990 filings of over 1.5 million nonprofits.

All nonprofits that receive substantial government funds are required by the federal Office of Management and Budget (OMB) to conduct a regular “Circular A-133” audit.\(^3\) In addition, government funders at the local, state, and federal levels conduct audits of individual grants. For many organizations, these audits translate into multiple government auditors simultaneously reviewing their books and records, based on the various sources of government funds they receive.

In addition, there are “charity watchdog” groups that evaluate nonprofits and their finances, often through the use of simple ratings and ratios. In using the data provided by these groups, however, it is important to remember that all such information must be viewed in the context of more detailed qualitative and quantitative information to get a balanced picture of an organization’s health, effectiveness, and efficiency.

Another level of oversight that nonprofit CFOs need to be aware of is The American Competitiveness and Corporate Accountability Act of 2002 (known commonly as the Sarbanes-Oxley Act). Created to rebuild public trust in the for-profit community in the wake of corporate and accounting scandals, the act requires publicly traded companies to conform to new standards in financial transactions and audit procedures. As of 2006, the act does not apply to nonprofits. However, some state officials are exploring ways to apply elements of the law to the nonprofit sector.

BoardSource and Independent Sector recommended in a January 2006 joint publication that nonprofits voluntarily incorporate certain provisions of the Sarbanes-Oxley Act that make good governance sense.\(^4\)

Q: What are the characteristics of the ideal nonprofit CFO?

A: We asked a focus group of six nonprofit EDs to describe the ideal nonprofit CFO. They listed the following traits (in no particular order):

- Is knowledgeable, detailed, and precise.
- Can educate the ED patiently about the organization’s finances and their implications and keep the ED engaged in financial matters.
- Is able to educate program staff patiently about their program finances and to keep them accountable for financial performance.
- Is passionate about the mission of the organization.
- Is very nice but very strong; is not overly aggressive.
- Performs other duties (e.g., human resources, technology, legal, and facilities) as needed.
- Works well across variety of functions, programs, and people.
- Understands nonprofits, budget models, and contracts in depth.
- Builds strong relationships with funders and, if possible, brings preexisting funder relationships to the organization.
- Communicates in a transparent fashion.
- Exercises good judgment in the midst of much ambiguity.
- Has an existing network of support to draw upon for advice or even for pro bono or discounted services.
- Is well-networked in function-specific associations.
- Is a “doer” rather than someone who simply tells people what to do.

According to Hilda Polanco, Managing Director of Fiscal Management Associates, “In our experience, the ideal candidate has a CPA or MBA plus experience in the nonprofit world.” She cautions, “However, it depends on the organization’s funding mix, government contracts, other staff in the fiscal office, and the role of the board. A candidate without a CPA or MBA but with 10 to 15 years of experience in accounting and finance could be perfectly qualified.”

Michael Park, Director of Finance and Administration at the Robin Hood Foundation, describes the ideal CFO: “The ideal CFO is someone who is an active partner to the ED, bringing a forward-looking and proactive stance to managing the agency’s finances.”
Q: To whom does a nonprofit CFO typically report?
A: The vast majority of the CFOs we interviewed reported directly to the ED. A few reported to the COO and one to a senior vice president who had overall responsibility for the finance and accounting functions. In all cases but one, the CFOs were included in the organization’s senior management team. CFOs—particularly in smaller organizations—may also report to the finance committee of the board of directors.

Q: What should I expect in regard to salary and work hours?
A: The organization you join and the role you take on will greatly determine your salary and hours. Regarding salary, almost universally you can expect to take a pay cut from a for-profit job with similar responsibility level. That said, salaries in the sector vary (e.g., a large organization usually has a greater range of compensation than a small one), and while they may be lower than the average in the for-profit sector, you may be pleasantly surprised at the compensation level in some organizations. To begin to gain an idea of the salary levels, you can take a look at salary surveys published by GuideStar, the Chronicle of Philanthropy, The NonProfit Times, and Abbott Langer Association (among others). To understand the compensation structure at a specific nonprofit, you can download its IRS Form 990 from the GuideStar website (www.guidestar.org). An annual reporting return that certain federally tax-exempt organizations must file with the IRS, the 990 includes information on the organization’s mission, programs, and finances and includes salaries for the highest paid positions within the organization.

Because many compensation surveys can only be accessed on a fee basis, you may want to think generally about what types of positions or organizations would be a good fit before you look at surveys. One good way to start the process is to do some informal benchmarking. Think about some organizations in your target geographic area whose mission interests you. Using GuideStar, you can easily isolate several of these organizations, being sure the organizations have similar profiles in terms of geography, budget, headcount, and programs. On GuideStar, view each organization’s Form 990. This form includes the compensation of the senior executives. By researching at several similar organizations, you’ll begin to gain an understanding of the compensation ranges in the types of nonprofits you want to target.

Hours too will vary greatly by role and by organization, but don’t expect to work less than you did in the for-profit world. In many instances, nonprofit leaders work longer hours than their for-profit counterparts, driven both by the demands and complexity of the job, and by the passion and commitment they have for the cause.5

5 For a set of suggested resources that can help you determine salary ranges for particular roles and organizations in the nonprofit sector read “Selected Compensation Resources” on www.bridgestar.org.
Preparing to be a CFO

Q: Do I need nonprofit accounting experience to be a nonprofit CFO?
A: Nonprofit accounting experience is not always required. Kristen Growney, CFO of Rubicon Programs, Inc., shared that in many cases, “auditors and the staff accountants are more than able to teach you what you need to know.”

Many of the CFOs we interviewed, especially those in mid- to large-sized nonprofits, had worked in the for-profit sector and transitioned into the nonprofit sector within the last 10 years. Only a handful of the CFOs had spent their entire careers in the nonprofit sector.

That said, having nonprofit accounting experience is certainly helpful. Most of the CFOs we interviewed who came directly from the for-profit sector commented that one of the biggest challenges of transitioning into the nonprofit CFO job was “not knowing what you don’t know.” Several of the CFOs suggested that participating on a nonprofit board’s finance committee is a good way to get introduced to nonprofit accounting.

Most CFOs and technical assistance providers we interviewed advised that there are some CFO positions that absolutely require someone with nonprofit accounting experience. Growney flagged one such situation: “Not having any nonprofit accounting experience would be a problem if you were the CFO of a brand new organization and needed to set up the government tracking and financial reporting systems from scratch.”

Q: Do I need government contract and grants management experience to be a nonprofit CFO?
A: It depends. If the nonprofit relies on government funding streams, it would probably require CFO candidates to have prior government contract and grants management experience. When we asked a focus group of eight nonprofit CFOs what advice they would give a for-profit CFO who was coming into a nonprofit that had enough revenue in government contracts to trigger an A-133 audit (see Q: What sorts of governmental regulations and oversight does a nonprofit CFO face?), they immediately shouted, “Don’t do it!” Several later qualified their responses, with one CFO saying, “There’s no way I’d recommend a CFO jump from a for-profit to a nonprofit with A-133 requirements unless the organization had the following pieces in place: a strong controller; a supportive board of directors; a good, reliable auditor; and timely reports.”

Rick Aubry, President of Rubicon Programs, Inc., offered an explanation for why prior experience is so important here: “Government contracting is logarithmic in complexity. Each government source—local, state, and federal—has its own set of rules, and these rules are rigid and not complementary.” Aubry
noted, however, that having an experienced controller can make it possible to relax the CFO hurdle vis-à-vis this qualification: “We had a strong controller who managed all of our government contracts when we were looking to hire a CFO, so it wasn’t as important for our new CFO to have experience in this realm.”

Q: Is a Certified Public Accountant (CPA) designation or a Master of Business Administration (MBA) degree necessary to be a nonprofit CFO?

A: Most of the technical assistance providers and funders in our sample described the ideal CFO as having both the CPA and the MBA—in addition to many years of relevant financial management experience. However, the need for a CPA or MBA depends on the size and complexity of the organization, the role of the board in fiscal management, and—perhaps most importantly—the skill set of the organization’s existing financial staff. In organizations with a CPA as a controller and a strong accounting department, it is less important for the CFO to be a CPA. However, if there isn’t a financial staff member (or highly involved board member) with a CPA, most of our interviewees said they thought it would be prudent for the CFO to be a CPA. In fact, of the CFOs we interviewed, the vast majority had MBA degrees and a quarter were CPAs. Most of those CPAs also held MBAs.

The CPA CFOs in our group reported that the rigorous work required to earn their CPAs gave them new insight into the finance function and better prepared them to respond to auditors’ requests. Several noted that they had been able to save their organizations money in the audit process as a result of their CPA training.

The MBA-CFOs more often mentioned the importance of having a good base of general knowledge to bring into the CFO position, including strong financial and investment analysis skills. Several noted that their MBA training helped them have a more strategic perspective on their organizations.

Jeanne Bell, Associate Director of CompassPoint Nonprofit Services, provided a different perspective: “While some people argue that full accounting skills and experience are not necessary for a ‘strategic’ position like a CFO, I believe it is enormously helpful if not essential to have experience with bookkeeping in order to do financial statement analysis; to hire and supervise bookkeepers, accountants, and controllers effectively; and to make decisions about how to improve the way financial information is tracked and reported. I don’t think one learns accounting in an MBA program, nor do I think CFOs necessarily need to be CPAs. An MBA-type degree is not a guarantee that someone has ever done true full double entry accounting.”

6 For more details on Rubicon Programs, Inc.’s experience hiring a CFO for the first time, read “The Impact of a CFO,” www.bridgestar.org.
Q: What kind of for-profit experience in accounting and finance translates well into a nonprofit environment?

A: The CFOs with for-profit experience that we interviewed came from a variety of backgrounds, including money management, investment banking, private banking, consulting, and public accounting. The general consensus was that their experience with managing budgets, analyzing the return on investment of projects, and conducting audits served them well in the nonprofit environment.

Bruce Skyer, Chief Financial and Administrative Officer of Nonprofit Finance Fund, found his treasury experience at Altria to be directly applicable to his work with the community development finance institution\(^7\). Mike Dunn took his for-profit experience consolidating several family-owned businesses and applied it to his CFO role at Outward Bound when the organization was going through a geographic merger of the seven individual regional Outward Bound schools.\(^8\)

Q: What kind of training in nonprofit accounting is available?

A: Colleges and universities across the country offer courses in nonprofit accounting, and local nonprofit support centers (nonprofit organizations that provide general technical assistance and resources to nonprofits in a geographic region) often offer seminars on the subject. There are also many booklets and resources about nonprofit accounting and nonprofit reporting guidelines that can be obtained through any public accounting firm.

Hilda Polanco, Managing Director of Fiscal Management Associates (FMA), recommends individuals obtain training and accreditation through the Certified Nonprofit Accounting Professional (CNAP) program, which is sponsored by member firms of the Not-for-Profit Services Association (NSA). According to Polanco, “The CNAP program is designed to recognize excellence in the nonprofit industry through comprehensive qualification, training, and examination. Participants need not be CPAs; the program can benefit bookkeepers, staff accountants, and anyone involved with the financial management of a nonprofit organization.” FMA (www.fmaonline.net) presents the CNAP training program regularly in the New York City area and other NSA firms offering the CNAP program can be contacted through the NSA website (www.nonprofitcpas.com).

\(^7\) For more details, see “Bruce Skyer: Finding a Professional and Personal Fit at Nonprofit Finance Fund,” www.bridgestar.org.

\(^8\) For more details, see “Mike Dunn: Consolidating Financial Operations at Outward Bound,” www.bridgestar.org.
Finding a CFO position

Q: Where should I look for a nonprofit CFO job?
A: There are a multitude of job boards that post nonprofit financial management positions, including:

- Alliance for Nonprofit Management—www.allianceonline.org
- America's Job Bank—www.jobsearch.org
- Bridgestar—www.bridgestar.org
- Career Builder—www.careerbuilder.com
- Career Journal—www.careerjournal.com
- CEO Update—www.ceoupdate.com
- Charity Channel—www.charitychannel.com
- Community Career Center—www.nonprofitjobs.org
- Deep Sweep—www.deepsweep.com
- ExecSearches—www.execsearches.com
- Foundation Center—www.fdncenter.org/pnd/jobs/index.jhtml
- Idealist—www.idealist.org
- The Ladders—www.theladders.com
- Monster—www.monster.com
- Nonprofit Careers—www.nonprofitcareers.org
- Nonprofit Career Network—www.nonprofitcareer.com
- Nonprofit Oyster—www.nonprofitoyster.com
- Nonprofit Times—www.nptimes.com
- Opportunity Knocks—www.opportunityknocks.org
- Work For a Good Cause—www.work4agoodcause.com

While these are good sources of job postings, anyone contemplating a job search should follow the advice of Kathleen Yazbak, Managing Director, National Relationships at Bridgestar, “Get out there and network!”

For more information about networking, read the article “Networking: Building Your Personal Network,” www.bridgestar.org.
Q: Where can I find out information about the financial health of an organization in which I am interested?

A: It is important to gain as complete an understanding as possible of the organization’s financial health in order to assess the CFO position in proper context. There are many resources available to help the CFO candidate research the organization’s financial situation, including the following:

- The organization’s website, annual report, and management reports contain clues about its financial strengths and challenges.
- GuideStar (www.guidestar.org) posts Form 990 filings of over 1.5 million nonprofits. These forms, which many organizations must file with the IRS annually, include a wealth of data on the organizations’ finances. One CFO we interviewed said he “used GuideStar religiously to research organizations—it became my bible.”
- There are “charity watchdog” organizations that evaluate nonprofits and their finances, often through the use of simple ratings and ratios. In using the data provided by these groups, however, it important to remember that all such information must be viewed in the context of more detailed qualitative and quantitative information to get a balanced picture of an organization’s health, effectiveness, and efficiency.

Q: How should I prepare for my interview and what kinds of questions should I ask?

A: The CFOs and technical assistance providers we interviewed suggested that the CFO candidate should come to an interview prepared with a preliminary analysis of the organization’s financial health based on all publicly available information, and should feel comfortable asking for additional information such as the latest audit report (which is not publicly available), as well as the latest interim financial statements. These statements provide information on the organization’s financial health, and can help the candidate understand the financial systems (or lack thereof) that management uses to make decisions. Asking for this information will also indicate to the organization that the candidate knows the right questions to ask.

One CFO summarized this assessment process by saying, “The key thing is to know that their funding base is solid, or conversely to know in advance that you’d be getting into a situation where it isn’t but you’d be prepared to handle it.” Another CFO shared how important it was for him to get “yes” answers to the following questions: “Are they able to articulate the way in which the CFO contributes to big goals of the organization? Do they see the CFO as core to building the organization’s strength and capacity?”
Once you have reviewed the organization’s financial data, you can get a lot of additional information through direct questioning of the ED, COO, or board members. You should supplement that information with additional due diligence performed through your personal and professional networks.

To gauge your fit with the role, focus on these areas:

- Try to paint a picture of the CFO role in the organization. How does the existing CFO spend his/her time? What are the CFO’s key tasks? How does the role fit into the organizational chart?
- Learn about the organization’s financial staff, looking in particular for the existence of clear job descriptions. Find out about their skills and capabilities. Questions to keep in mind here include: To what extent is the financial staff meeting its objectives? How deep is the staff’s understanding of nonprofit finance and accounting? How long has the staff been in place, what is the probability that staff members will stay in their roles, and are there any vacancies?
- Find out about turnover in the senior management ranks: How long was the last CFO there? How many CFOs have they had in the last five years? How long has the ED been there? What has turnover been like on the broader senior management team, and are there any other vacancies currently?
- Develop an understanding of the ED/CFO dynamic. Find out how often the ED sits down with the CFO. Ask the ED what the role of the CFO is, and how the ED sees working in partnership with the CFO.
- Develop an understanding of the CFO’s dynamic with senior management, and with the board of directors and finance committee.
- Find out how senior managers see the organization growing and changing, and what they see as its biggest challenges.
- Find out what internal financial reports the organization issues and with what frequency. Determine what financial software the organization uses and whether there are plans to change it.

Transitioning into a CFO position

Q: What challenges should I be prepared for as I transition into a nonprofit CFO role?

A: Almost all of the CFOs we interviewed said they found their jobs rewarding and fulfilling. At the same time, they described some significant challenges. These challenges clustered into four categories:

10 For more detail on questions to ask in the interview process, read “Finding the Right CFO Position,” www.bridgestar.org.

• The rules of nonprofit finance. Especially for CFOs who come from the for-profit sector, it can be tricky to understand how the nonprofit capital market operates.

• Resource constraints. Nonprofit CFOs frequently face scarce resources, cash constraints, and a limited number of financial people on staff with formal training and experience in accounting and finance.

• Nonprofit culture. Consensus culture, dealing with multiple stakeholders, working with non-financially oriented staff, and figuring out how to measure success in a culture that emphasizes mission over the financial bottom line can be a culture shock.

• Technical skill development. Bridger CFOs face challenges related to learning nonprofit accounting and government grant reporting while CFOs of small organizations sometimes struggle to master the many areas they are responsible for in addition to accounting and finance.

Q: Who can I turn to for advice, guidance, and support?
A: In our interviews with nonprofit CFOs, many suggested auditors as an important source of advice and guidance. A few mentioned that a part-time consultant can be a particularly helpful source of coaching, especially for CFOs who do not have formal accounting backgrounds or who are transitioning from the for-profit to the nonprofit sector. The CFOs also suggested board finance committee members as a good source of advice and support and recommended networking with other CFOs of similar-sized organizations with similar revenue complexity.

Q: What types of networking activities exist for nonprofit CFOs?
A: There are a number of CFO networking groups across the country that are specifically targeted to nonprofit CFOs and others that include nonprofit CFOs in addition to a broader membership base:

• The Association of Private Voluntary Organization Financial Managers (www.apvofm.org) is open to organizations and individuals with an interest in the financial management of nonprofit organizations with a particular focus on the needs and concerns of international development/relief groups.

• Bridgestar’s New York Nonprofit CFO Group meets monthly to discuss issues common to the position and hear from outside speakers. The group is open to senior-level managers with responsibility for finance in New York City-based nonprofits.

• Financial Executives Networking Group (www.thefeng.org) is a free membership organization (though an individual must have a personal sponsor to join) that gives senior-level finance individuals an opportunity to network and share job leads with their fellow financial executives. It has a special-interest group focused on nonprofits.
Financial Professionals Network in San Francisco and Silicon Valley is run by CompassPoint Nonprofit Services (www.compasspoint.org) and targets financial managers with five or more years of nonprofit finance experience. The meetings comprise a balance of outside speakers and member-led discussions.

NonProfit Financial Managers (www.npfm.org) is open to individuals with responsibility for the financial and/or business operations of nonprofits with annual operating budgets of less than $15 million in the Boston area.

Nonprofit Fiscal Managers Association in Oregon is run by Technical Assistance for Community Service (www.tacs.org). The sessions cover a range of member-requested topics and also provide ample networking opportunities for the 80-100 individuals that participate on a regular basis.

In addition, many national and international organizations, such as the YMCA and Goodwill Industries, have networking groups for the CFOs of their local chapters.

Q: What kinds of career paths are there for a nonprofit CFO?

A: Most of the CFOs we interviewed described their career paths as continuing in the CFO or chief financial and administrative officer position but with larger organizations within the nonprofit sector. A couple anticipated moving back into a for-profit finance position. A few others expressed interest in becoming the CEO of their organization or a similar organization in their field, but the majority noted that their skill sets and background were less suited to becoming a CEO given the program expertise and fundraising skills that role demands. That said, two of the CFOs have moved into fundraising roles within their organizations.

Bridgestar (www.bridgestar.org), an initiative of the Bridgespan Group, provides a nonprofit management job board, content, and tools designed to help nonprofit organizations build strong leadership teams and individuals pursue career paths as nonprofit leaders.

12 To read about one CFO’s transition to CEO see “John B. Latchford, CPA: From Board Chair Through Catastrophe to CFO and CEO,” www.bridgestar.org.