



Kanso Native Housing Summit

Kanso Accounting Process for Compliance & Stakeholder Reporting

July 30, 2024, at 9:00 A.M.

Main Room



Jennifer Wageman

COO & CFO

Kanso Software





Joe Prince

Operations Manager

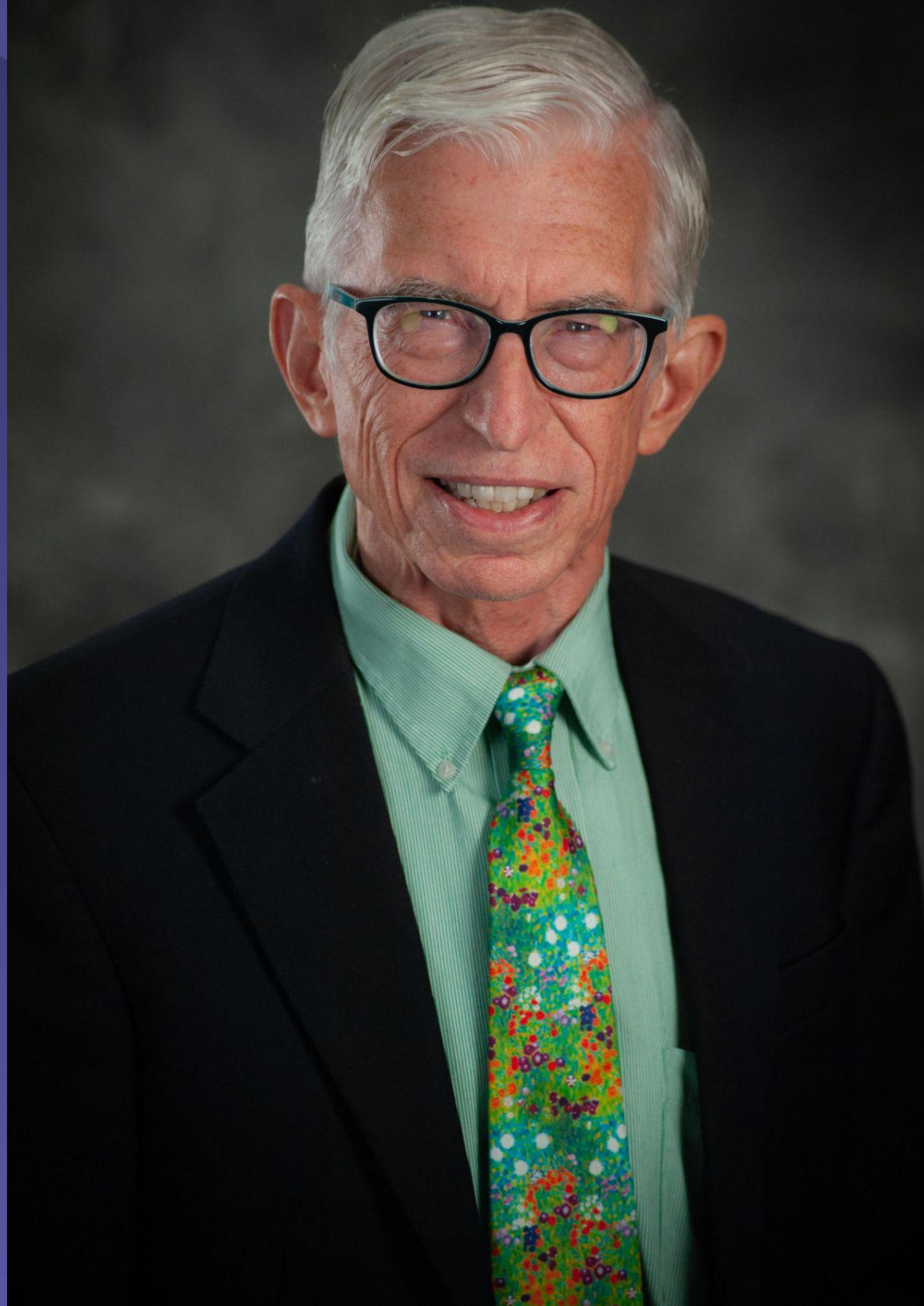
Client Support & Data Operations



Grant Walker

Data Management Specialist

Data Operations Team



■ **Joseph B. Diehl** CPA, JD, FMCHC

Managing Director

Diehl & Co. LLC

- Managing Director of Diehl & Co. LLC, a Seattle-based consulting and fundraising organization founded 28 years ago.
- Interim Executive Director of the National American Indian Housing Council (NAIHC) from September 2023 to June 2024.
- NAIHC's Deputy Director from 2017-2019
- Northwest Indian Housing Association contract Executive Director from 1998-2016.

Session Overview

General Ledger System Must Rule

Compliance with HUD Regulations

Structure of Your Accounting System

Simplistic Approach to Budgeting

Performance and Risk Management

Accounting and Reporting Processes: Overview

- The simplicity of basic accounting systems – is the formula for success.
- KISS – Keep It Simple (Stupid)
- Foundations of Basic Accounting Systems
- Recipients of Your Reports: Housing Leadership; Tribe; Government Regulators; Stakeholders
- History and Purpose of Generally Accepted Accounting Principles (GAAP)



Predecessors Systems



Basic Principles of Workflow and Intersection with the General Ledger System – Some History

All Good Intentions are Not Good.

Definition of “Vestige.”

Why Things Get Messy

Focus Only On...

- **Relevant information**
- **Reliable information**
- **Verifiable information**
- **Understandable information**
- **Quantifiable information**
- **Obtainable information**

Who are the Key Players on your Accounting Team?

- Tribal Council
- Housing Board
- Tribal Accounting Staff
- Board Treasurer
- Audit Committee
- Chief Financial Officer
- Controller, or Comptroller
- Bookkeeper
- Financial Analyst
- Data Processing Staff
- Internal Auditor (in house)
- Independent Accounting Firm
- Contracted Accounting Staff
- Software Provider's Customer Service Team
- HUD Staff
- Private Grants: Grantor Accounting Staff

Any Others?

The Big Picture: the General Ledger System Must Rule

Accounting: The process of recording, classifying and summarizing economic events through the preparation of financial statements.

- GAAP
 - Generally Accepted Accounting Principles
- AICPA
 - American Institute of Certified Public Accountants
- FASB
 - Financial Accounting Standards Board
- GASB
 - Government Accounting Standards Board
- FAF
 - Financial Accounting Foundation

The Structure of Your Accounting System is the Driver of your Organization's Processes

- Job Descriptions.
- Duties of Each Staff Person.
- Responsibilities of Each Staff Person.
- Accountability.
- What Does a Monthly Closing Look Like?
- KISS

The Simplistic Approach to Budgeting for Housing Programs

Types of Budgeting Approaches

- “Start with Historic Numbers” Approach
 - Adjust for New/Discontinued Initiatives
- Blank Sheet of Paper Approach
- Budget Amendment Approach

Purposes Behind Having an Organizational Budget

- Serves as a roadmap
- Reflects the strength of an organization.
- Illustrates how new initiatives will be financed
- Tool to be used actively AFTER the end of the budget year, to explain major differences between what was planned and what actually happened
- Measure of progress towards the Board-approved strategic VISION and MISSION of the organization
- Accountability: each division or department of the organization must be invested in the budget process

The Purposes Behind Having an Organizational Budget

- Accounting staff should ensure that goals incorporated into the new budget and new or ongoing projects are SMART
 - Specific; Measurable; Attainable; Realistic; and Time-Based.
- Allows leaders to assess the RISKS associated with each line item.

The Simplistic Approach to Budgeting for Housing Programs

- Starting point: the detail behind your most recent audited financial statements has traditionally been the starting point for the preparation of next year's budget. Why?
- Wrinkle: sometimes the board wants to see and approved a budget before the audit is completed, or before the financial statements are finalized.
- Step one: review the latest strategic plan, board VISION for the organization and its MISSION. Be thoughtful on how, during this coming year, can we make progress towards these ends?

The Simplistic Approach to Budgeting for Housing Programs

- Wrinkle: small organizations or ineffective boards have never articulated their long-term vision; in many cases, they rely on paid staff to “figure that out.”
- Step two: create the assumptions which either ADD TO or SUBTRACT FROM your starting point. If for example, you’re planning to start a training course for new homeowners - for the first time, do your homework on what revenue AND expense impact that will have on the bottom line.
- Final step: step back and look at the draft budget for the coming year with those assumptions included. Does it make sense? Is it realistic? Is it achievable? (acronym – is it SMART?)

Final Remarks on Performance and Risk Management

- PERFORMANCE GOALS
- RISK MANAGEMENT GOALS

Questions,
Comments,
Brainstorming

What's important to your team and what would you like to know?

THANK YOU FOR ATTENDING!

Contact Information – Take a Photo of this Slide with Your Cell Phone:

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Next Sessions...

- Main Room 10:15am

Kanso Training, Self-Guided Teaching & Support Tools

- Training Room 10:15am

Closing Out your Books with Kanso