

## **Financial Stability of Provider Agencies**

Financial stability means the ability of an organization to anticipate, prepare for, respond, and adapt to incremental change and sudden financial disruptions. Through the most recent RFP process the ADAMHS Board asked provider agencies to explain how they ensure the long-term financial stability of their organization.

The ADAMHS Board will collect yearly financial audits for each agency receiving over one hundred thousand dollars (\$100,000) per ORC 9.234.

Financial stability is ensured using strategies including but not limited to the following:

- Monitoring agency expenses, revenues, and cash flows continually by staff with monthly presentations of financial status reports to the agency Board of Directors.
- Aggressively seeking to diversify revenue streams through government and foundation grant dollars, as well as private donations.
- Annual fund-raising campaigns to supplement business operations.
- Maintaining a cash reserve to cover expenses for 60-90 days of agency operations.
- Establishing a bank line of credit to sustain operations during emergent situations.
- Employing consultants to assist with financial record keeping and report generation.
- Annual audits of the agency by an independent accounting firm.