

2025 Financial Management Conference

Enterprise Risk Management 2.0

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Moderator: **Heather Starzynski**, NeighborWorks America

Sept. 17, 2025

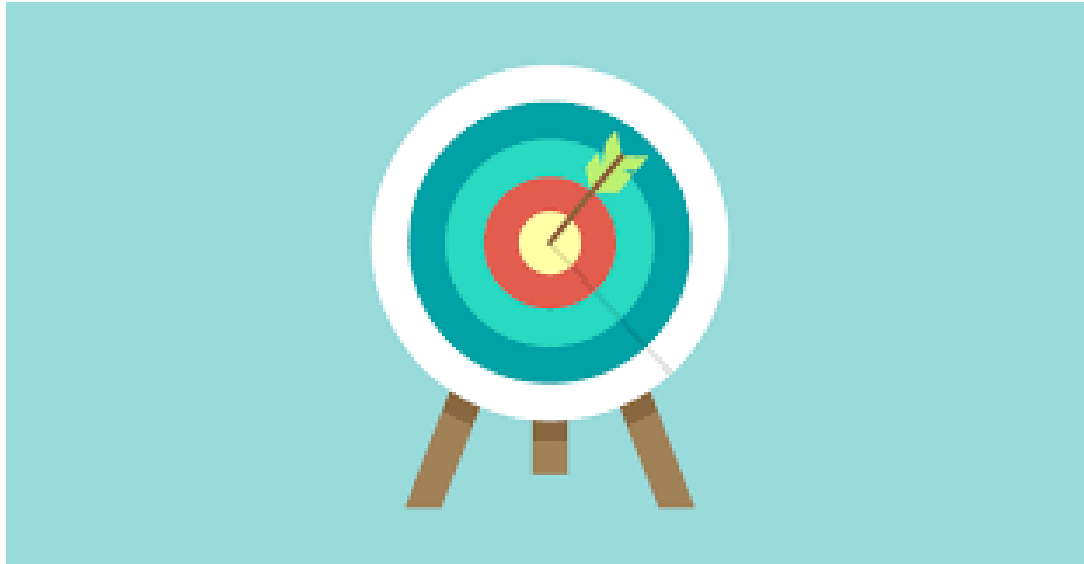
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Continuing Professional Education (CPEs) Requirements for CPAs

- Please find the **SESSION HOST** to **SIGN IN** at the beginning and **SIGN OUT** at the end of every session. We use that attendance log to verify your participation for CPE credits.
- Please **submit all conference evaluations**. Evaluation links are emailed to registrants daily. The session host monitoring the sign-in process has paper evaluations if you prefer.
- For more information on CPE credits, contact Lindsay Wells at consult.lwells@gmail.com.

Learning Targets



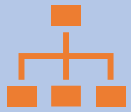
- Evaluate and discuss **risk response strategies** that balance mission-driven goals with financial and operational realities.
- Explore the **core elements of various enterprise risk management frameworks** and how they apply to affordable housing development.
- Identify and prioritize the **key risks** (strategic, financial, operational, partner, and policy) using a variety of tools.
- Learn about **ERM promising practices** through a panel discussion to strengthen decision-making in affordable housing projects.

Agenda

- *Welcome and Warm-up*
- *Introductions and the ERM Journey*
- *ERM Framework Examples + Tools*
- *ERM + the Organizational Experience*
- *Audience Q+A*
- *Closing*



Warm-up Questions



Is your organization engaged in ERM?



Do you know enough about ERM to answer that question?



What would you like to know about ERM?

Warm-up Questions



Is your organization engaged in ERM?

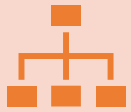


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What would you like to know about ERM?

Warm-up Questions



Is your organization engaged in ERM?



Do you know enough about ERM to answer that question?



What would you like to know about ERM?

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Introductions!



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Where is your organization on its ERM journey?



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Enterprise Risk Management (ERM) Frameworks and Tools

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An Enterprise Risk Management (ERM) Framework

For Medium-Sized CDFI Nonprofit Organization

Risk (TARA Framework*)	Internal	External
<p>Transfer Low Probability & High Impact</p>	<ul style="list-style-type: none"> ▪ Insurance Review and Negotiations ▪ Strong partnering with Insurance Broker ▪ Safety Training and Safety focused culture 	<ul style="list-style-type: none"> ▪ Outsourcing ▪ Hybrid / Third Party provider ▪ Temp Agencies
<p>Avoid High Probability & High Impact</p>	<ul style="list-style-type: none"> ▪ Financial Reporting and Forecast + Internal Controls ▪ Internal Audits monitoring high risk business component ▪ Cybersecurity Maturity Review and Testing ▪ Incident Reporting + Cross Functional Collaboration ▪ Training and stay informed about different State Laws ▪ Psychological Safety 	<ul style="list-style-type: none"> ▪ Lending and Credit Memo review by external consultants ▪ Contract Management Process ▪ External Audits and Reporting ▪ Quality Assurance & Quality Control
<p>Reduce High Probability & Low Impact</p>	<ul style="list-style-type: none"> ▪ Hiring procedures + Retain Key personnel ▪ Retain Legal Counsel ▪ Variance Reports and accountability 	<ul style="list-style-type: none"> ▪ Transparency following employment law by State ▪ Training and comply with Employment regulation ▪ Prioritize Dispute Resolution Alternatives (mediation or arbitration)
<p>Accept Low Probability & Low Impact</p>	<ul style="list-style-type: none"> ▪ Training and Monitoring 	<ul style="list-style-type: none"> ▪ Monitoring Social Media and Impact to reputation

PESTLE ANALYSIS for Identifying Risks

P	Political	Political factors are government, trade and tax policies, general political issues, changes in leadership, regulation, and political trends.	
E	Economic	Economic factors may include inflation, interest rates, exchange rates, economic growth and unemployment levels.	
S	Social	Social factors are cultural trends and patterns in society. They may include lifestyle trends, age distribution, and consumer behavior.	
T	Technological	Technological factors may include technological advancements and developments, innovation and scientific breakthroughs.	
E	Environmental	Environmental factors may include climate change, environmental regulations, waste management policies and consumer environmental awareness.	
L	Legal	Legal factors may include labor and consumer laws, market and import/export regulations, health and safety policies and guidelines	

SWOT ANALYSIS – Tool for Identifying Risks

Strengths

Internal attributes and resources of a company that give it an advantage over competitors. These are positive factors within an organization's control that effectively support achieving its objectives. Strengths are what a company does well.

Opportunities

External factors or trends that the organization can exploit to its advantage. These are elements in the environment that the company can leverage to enhance its performance, increase profits, or gain a competitive edge. Opportunities are not within the company's immediate control, but they can be capitalized on if identified and approached strategically.



Weaknesses

Internal limitations or deficiencies within a company that hinder its performance and can put it at a disadvantage relative to competitors. These are factors that need improvement or represent vulnerabilities that could be exploited by competitors or negatively impact the company's ability to achieve its goals.

Threats

External challenges or adverse conditions that could negatively impact the organization. These are potential problems outside the company's control that pose risks to its stability or growth. Identifying threats is crucial for developing strategies to mitigate them and for ensuring long-term sustainability.

*Written by Jim Makos, Pestleanalysis.com

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ERM and the Organizational Experience

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Organizational Experience



How do we get started on the ERM journey?



How is ERM positioned at your organization?



How have you engaged staff and the board?



Where is this work planned to go (or where would you like it to go) in the future?

Organizational Experience



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Creating an ERM Framework

1. Define Risk Governance
2. Develop Risk Appetite & Tolerance
3. Risk Identification
4. Risk Assessment
5. Risk Response & Controls
6. ERM Policies & Procedures
7. Integration with Strategy
8. Training & Culture

Organizational Experience



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Systems to Support ERM

- Risk Register System (Excel or ERM software)
- Incident Reporting System
- Document Repository for policies & reports
- Internal Controls & Compliance Tracking
- Dashboards (Power BI, Tableau) for KRIs

Frequency of Reviewing ERM Plan

- Quarterly: Risk register updates & KRI review
- Semi-Annual: Deep dive into top risks
- Annual: Full ERM review, stress testing, board approval

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ERM Reporting Requirements

Audit Committee:

- Quarterly: Top risks, mitigation, compliance exceptions
- Annual: Full ERM assessment, framework effectiveness

Board of Directors:

- Quarterly: Heatmap, emerging risks, alignment with risk appetite
- Annual: ERM review, stress testing, appetite reaffirmation

Audit Committee ERM Report Template

Sections:

- Executive Summary
- Risk Heatmap (Top 10 Risks)
- Key Risk Indicators (KRIs)
- Incidents / Near Misses
- Recommendations

Board or Audit Committee Reporting

1. Audit Committee ERM Report Template (Quarterly)

Header

- Organization Name
- Reporting Period: QX YYYY
- Prepared by: [Risk/Finance Lead]
- Date of Report

Section A: Executive Summary

- Key changes in risk profile this quarter
- Any breaches of risk appetite/tolerance
- Control failures or compliance issues identified

2. Board of Directors ERM Report Template (Quarterly + Annual Deep Dive)

Header

- Organization Name
- Reporting Period: QX YYYY
- Prepared by: [Risk/Finance Lead]
- Date of Report

Section A: ERM Dashboard Overview

- Heatmap of top 5–7 risks (visual: red, yellow, green).
- Commentary on emerging risks (e.g., changes in federal funding, rising interest rates, technology changes).
- Alignment with risk appetite statement.

Board of Directors ERM Report Template

Sections:

- ERM Dashboard Overview
- Strategic & Financial Risks
- Compliance & Operational Risks
- KRI Snapshot
- Annual Review (Appetite, Stress Test, Effectiveness)

Organizational Experience



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Audience Q + A



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Q + A Summary

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Closing

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A stack of several colorful sticky notes (cyan, magenta, orange, green) is shown against a light gray background. The top-most note is cyan and features the text "WHAT'S NEXT?" in bold, black, sans-serif capital letters.

**WHAT'S
NEXT?**

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Resources

- [University of North Carolina State ERM Initiative](#)
 - [ERM: What is it?](#) (UNC State)
- [Plante Moran ERM Guidebook](#)
- [NonProfit Risk Management Center](#)
 - ❑ [Risk Management Essentials](#)
 - ❑ [7 Techniques to Reimagine Your Relationship with Risk](#)

Evaluation Reminder

- Please submit all conference evaluations.
- Look for the electronic evaluation link in your email.
- Contact consult.lwells@gmail.com if you do not receive the link.

CONTACT INFORMATION

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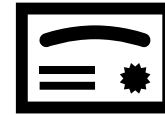
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