

Financial Management Self-Assessment



Nonprofit financial health is not a matter of endowment balances or grant size. Even nonprofits with large budgets must manage their resources in order to provide services effectively and remain accountable to the public. Financially healthy nonprofits of all sizes are committed to a culture of accountability and financial management best practices. Use this checklist to assess your organization’s financial management practices and identify areas for improvement. This self-assessment is based on Nonprofits Assistance Fund’s Characteristics of Financially Healthy Nonprofits.

WEEK, NOT IMPROVING UNKNOWN
WEEK, BUT IMPROVING GOOD
STRONG

- | | | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. Board members clearly understand their roles and responsibilities for financial health | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Board receives and reviews complete financial information at every meeting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Computerized accounting/recordkeeping system is maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Qualified and knowledgeable staff or volunteers are responsible for accounting records | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. All staff understand their responsibilities regarding the financial systems | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. A process is in place to develop a well-considered and realistic budget | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Budget is reviewed by the board and approved before the fiscal year begins | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Organization routinely budgets for an unrestricted operating surplus | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Financial reports are prepared in an accurate and timely manner | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Staff and board regularly compare financial results to budgets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Organization regularly monitors and projects cash flow and plans for adequate cash balances | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Appropriate reserves or cash balances are maintained (minimum 30 days) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. System is maintained for tracking restricted or designated funds | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Payroll tax deposits are made when due | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Organization is able to pay bills and make loan payments when due | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Written financial policy includes responsibility and authority for financial decisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Adequate and appropriate internal controls are in place and maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. System is maintained for compliance with all required legal and funder reporting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Annual financial audit (or comparable annual review) is completed and reviewed by board | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Board and staff regularly review short-term and long-term plans and goals | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Our mission is to strengthen community by investing capital and expertise in nonprofits. Find out more about Nonprofits Assistance Fund’s loans, training, resources, and financial advice tailored for nonprofits at: www.nonprofitsassistancefund.org.

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