

Financial Management Self-Assessment for Nonprofit Organizations

Nonprofit financial health is not a matter of endowment balances or grant size. Even nonprofits with large budgets must manage their resources to provide services effectively and to 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.

Organization:	Date:	Prepared by:
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	STRONG	GOOD	WEAK BUT IMPROVING	WEAK, NOT IMPROVING	UNKNOWN
Financial Management Practices					
1. Board members clearly understand their roles and responsibilities for financial health					
2. Board receives and reviews complete financial information at every meeting					
3. A computerized accounting/recordkeeping system is maintained					
4. Qualified and knowledgeable staff or volunteer responsible for accounting records					
5. All staff understand their responsibilities regarding the financial systems					
6. Process in place to develop a well-considered and realistic budget					
7. Budget is reviewed by the board and approved before the fiscal year begins					
8. Organization routinely budgets for an unrestricted operating surplus					
9. Financial reports are prepared in an accurate and timely manner					
10. Staff and board regularly compare financial results to budgets					
11. Regularly plan for adequate cash balances, including cash flow projections and monitoring					
12. Maintain cash balances or reserves appropriate for the organization (minimum 30 days)					
13. Maintain a system for tracking restricted or designated funds					
14. Payroll tax deposits are made when due					
15. Organization is able to pay bills and make loan payments when due					
16. Written financial policy in place including responsibility and authority for financial decisions					
17. Adequate and appropriate internal controls are in place and maintained					
18. Maintain a system for compliance with all required legal and funder reporting					
19. Annual financial audit (or comparable annual review) completed and reviewed by board					
20. Board and staff regularly review short-term and long-term plans and goals					