

# Financial Management Checklist

## XYZ ORGANIZATION

- Board receives timely, relevant, and accurate financial information that is readily understood
- Board has assessed the organization's financial health within the last year and appropriately addressed concerns
- Board orients new members on how to interpret XYZ's financial statements and benchmarks
- Cash reserves compare favorably with XYZ's goal for:
  - Operations
  - Donor-restricted net assets
  - Mortgage covenants
  - Capital needs
  - Other Organization expansion opportunities
- Significant revenue elements are increasing
- Average size of contributions is increasing across gift size ranges
- Number of regular contributors is increasing
- Unrestricted revenue is increasing
- XYZ adequately communicates with financial institutions regarding loan renewals, international fund transfers, lines of credit, and bank accounts
- Accounts payable, payroll taxes, and current liabilities are paid on time
- Net assets without donor restrictions—after deducting net property, plant, and equipment, less related debt—show a positive trend
- Financial statements do not reflect designated net assets in excess of what is available for designation
- XYZ has an investment policy and a gift acceptance policy and follows both
- Bank accounts do not exceed FDIC limits
- XYZ secures an independent CPA firm to perform annual audit, review, compilation, or applied other accountability measures
- Staff provides a written response to the board in relation to any management letter comments from the CPA firm
- XYZ identifies the three greatest financial risks and the steps to mitigate those risks
- All significant related-party transactions are reported to the board for review and action
- Staff informs the board of total compensations, including taxable and non-taxable fringe benefits, of any member of the top leader's family employed by the organization or any of its subsidiaries or affiliates