

**Financial Self- Assessment**

This assessment is designed to help you gain a quick understanding of your finical management practices. The executive director, finance person, board chair/president and the board treasure should complete this either indivisibly or as a group. But it is important that the results are reviewed as a group. The results need to you make not be able to answer everything strong or good … that is OK! Don’t get disheartened, this helps you create a baseline for planning, development, improvement or recommendation to the board. This is not a comprehensive list. Auditors, outside accountants, insurance agents and others should be consulted as well.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Strong | Good | Weak – but improving | Weak – but not improving | Don’t Know |
| Budgets and Systems |  |  |  |  |  |
| * Systems in place to create a realistic budget. |  |  |  |  |  |
| * Department, program or grant budgets are tied to annual budget. |  |  |  |  |  |
| * Budgeting recognizes risks and insurances coverages needed. |  |  |  |  |  |
| * Board has an active finance committee involved in a detailed budgeting process. |  |  |  |  |  |
| * Full board approves a comprehensive budget. |  |  |  |  |  |
| Execution |  |  |  |  |  |
| * Payroll policies and procedures are clear, documented and consistently followed. |  |  |  |  |  |
| * Written polices and procedures include responsibility and authority for financial decisions. |  |  |  |  |  |
| * Policies and procedures are reviewed annually. |  |  |  |  |  |
| * There is a clear separation of duties. |  |  |  |  |  |
| Recording |  |  |  |  |  |
| * There is a complete and accurate chart of accounts. |  |  |  |  |  |
| * There is a system for tracking restricted or designated funds. |  |  |  |  |  |
| * Appropriate software is in place and is securely backed up. |  |  |  |  |  |
| * Accounting records are physically secure. |  |  |  |  |  |
| * Monthly reconciliations are occurring. |  |  |  |  |  |
| Reporting/Monitoring |  |  |  |  |  |
| * System is in place for legal, programmatic, funder or compliance reporting. |  |  |  |  |  |
| * Staff are consistently comparing budget to actual. |  |  |  |  |  |
| * Monthly financial reports are given to the finance committee and board including: Statement of financial position (balance sheet) and Statement of Activities (income/expense or profit/loss). |  |  |  |  |  |
| * Assets are in excess of liabilities. |  |  |  |  |  |
| * Cash on hand can cover current obligations. |  |  |  |  |  |
| * Sufficient reserves are being maintained, three to six months. |  |  |  |  |  |
| * An independent auditor is retained by the board to conduct an annual audit. |  |  |  |  |  |
| * Audit is put out for bid every three to five years. |  |  |  |  |  |
| * Audit is performed annually. |  |  |  |  |  |
| * Form 990 is submitted to IRS annually. |  |  |  |  |  |
| * Audit and 990 are submitted to and approved by the board, after review of staff and finance committee. |  |  |  |  |  |
| * Board and staff are aware of IRS conditions for maintaining tax-exempt status. |  |  |  |  |  |