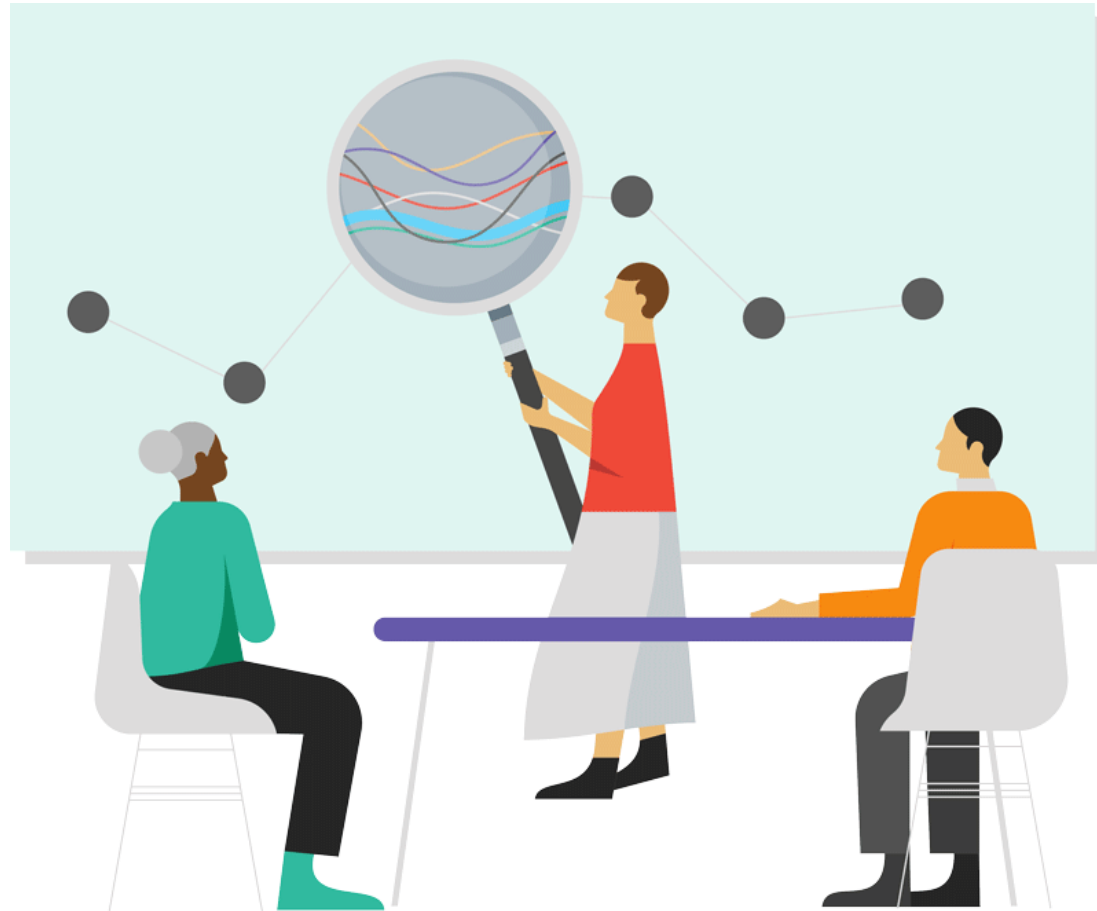


Best Practices for Nonprofit Boards

7) Monitor Financial Performance



What is Necessary for Monitoring Financial Performance?

The board is responsible for approving the budget, the audit and the IRS 990 annually

On regular and consistent intervals the board should receive the following:

Key Documents	Other Documents
<ul style="list-style-type: none">▪ Narrative describing the financial status of the organization▪ Budget▪ Year-to-date revenue and expenses compared to:<ul style="list-style-type: none">• Year-to-date budget• Full-year budget• Previous year's actuals▪ Current balance sheet	<ul style="list-style-type: none">▪ Cash flow projections▪ Dashboard of key performance indicators & program metrics▪ Aging schedules for:<ul style="list-style-type: none">• Accounts receivable• Accounts payables▪ Investment summary (if applicable)▪ Debt summary (if applicable)

Crisis Tips

- ✓ Identify 1-2 financial indicators to monitor closely
- ✓ Establish frequency of check-ins