

NFP 20 Point Checkup

Organization Name

- ➔ Is your Organization (**ORG.**) running efficiently?
- ➔ Does it have the necessary controls to protect its assets and guard against malfeasance, illegal or unethical behavior, lawsuits or situations that taint its reputation?
- ➔ Is the **ORG.** complying with all Not-For-Profit federal, state or local rules & regulations?

Find Out! Take the TEST. Score yourself on Page 2.

For every **Yes** put a 2, every **Sometimes** put a 1, every **No.** put a 0. **Yes** **No** **Sometimes or Partial**

If not applicable, enter a 2 in the **Yes** column.

Board of Directors (BOD)

- | | Yes | No | Sometimes or Partial |
|--|-----|----|----------------------|
| 1. Does the Board of Directors meet at least between 3-4 times a year? | | | |
| 2. Does the ORG. have an Audit/Finance/Budget committee that approves & reviews budgets, major expenditures, investment policies and the annual auditors' report and findings prepared by outside CPA? | | | |
| 3. Does the ORG. have one or more financially experienced or knowledgeable Board members? | | | |
| 4. Is there a BOD manual or written policy statement detailing Board members' legal, fiduciary or other obligations (e.g. number of required attended meetings, legal liabilities, prohibition against related party transactions or other conflict of interest situations)? | | | |
| 5. Are minutes taken at all Board and committee meetings and are they supported by timely prepared written documents? | | | |

Accounting/Reporting/Internal Controls

- | | | | |
|---|--|--|--|
| 6. Does the ORG. maintain a current "Accounting Policy and Procedure Manual" (AP&PM) that delineates internal control structure, workflow processes, documentation requirements, record retention policies, etc? | | | |
| 7. Is the individual who handles all bookkeeping/accounting functions prohibited from signing checks and making unapproved salary changes? | | | |
| 8. Are bank reconciliations prepared timely on a monthly basis? | | | |
| 9. Does the ORG. maintain documentation of proper authorization to purchase & pay for goods & services (e.g. Purchase & Check Request forms), and invoices to support actual receipt of goods & services? | | | |
| 10. Does the ORG. track & maintain detailed records of all unrestricted, temporarily or permanently restricted & in-kind contributions received? | | | |
| 11. Does the ORG. understand and properly report all unrelated business income & pay all related federal, state and local income taxes? | | | |
| 12. Does the ORG. (or would it if applicable) provide contributors with a statement showing the dollar amount of all contributions received in excess of \$250 & the dollar amount of any goods & services the contributor received in exchange for their contribution (e.g. meals)? | | | |

For every **Yes** put a 2, every **Sometimes** put a 1, every **No.** put a 0. **Yes** **No** **Sometimes or Partial**
 If not applicable, enter a 2 in the **Yes** column.

Employees/Staff

- 13. Does the **ORG.** maintain an Employee Manual that details proper behavior, employee benefits, time & other reporting requirements & nondiscrimination/harassment/whistleblower & conflict of interest policies?
- 14. Does the **ORG.** properly classify service providers as employees or independent contractors in accordance with federal & state rules?
- 15. Does the **ORG.** maintain personnel records that include all pertinent information (e.g. date of hire, performance evaluations, payroll deductions requests (W-4), emergency contact, reason for termination)?
- 16. Does the **ORG.** provide the same benefits to all employees that belong to a similar class or group (e.g. all managers, all administration staff)?

Other

- 17. Does the **ORG.** maintain an Organization chart or listing of the names, titles duties, responsibilities & reporting hierarchy of all members of the **ORG.**?
- 18. Is the **ORG.** registered in all jurisdictions where the **ORG.** has a legal presence or raises funds & does it file all required financial/activity reports?
- 19. Does the **ORG.** maintain all necessary & required insurance coverage such as fire, theft, workers compensation & disability, D&O & general liability?
- 20. Does the **ORG.** require that all accountants, attorneys and other advisors have experience with Not-For-Profits and knowledge of related rules?

S C O R E

Add up all the **Yes** worth 2 points and every **Sometimes** worth 1 point. Total Score

If the total score is: **Your Organization.....**

- 34-40 **In very good shape.**
- 26-33 **Needs to do some tightening up.**
- 18-25 **Has too much exposure. Invest in competent staff, advisors & mgm't infrastructure.**
- 0 - 17 **GET HELP IMMEDIATELY! Exposure is much too high and at dangerous levels.**