

Nonprofit Financial Health Checklist

By Proverbs 24:3 Consulting

“By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled with rare and beautiful treasures.” – Proverbs 24:3

Bookkeeping & Accounting Systems

- ■ Chart of accounts is structured for a nonprofit
- ■ Monthly bank reconciliations completed
- ■ Financial statements prepared monthly
- ■ Donor-restricted funds tracked correctly
- ■ Payroll processed accurately and on time

Tax Compliance & Legal Status

- ■ Nonprofit status active
- ■ IRS Form 990 filings current
- ■ Payroll taxes paid on time
- ■ State compliance filings current
- ■ Donor receipts meet IRS requirements

Internal Controls & Fraud Prevention

- ■ Separation of financial duties
- ■ Board reviews financial statements
- ■ Two signatures required for large expenses
- ■ Cash handling procedures documented
- ■ Whistleblower policy in place

Budgeting & Cash Flow

- ■ Approved annual operating budget
- ■ Cash flow reviewed regularly
- ■ Emergency reserves established
- ■ Giving patterns analyzed
- ■ Capital projects financially planned

Board Governance & Financial Oversight

- ■ Board understands financial responsibilities

- ■ Conflict of interest forms signed annually
- ■ Financial policies documented
- ■ Audit or financial review conducted
- ■ Treasurer trained in nonprofit accounting

Leadership & Organizational Alignment

- ■ Leadership understands financial data
- ■ Mission aligns with financial strategy
- ■ Roles and responsibilities clearly defined
- ■ Growth plans financially supported
- ■ Risk management plans in place

Donor Trust & Financial Transparency

- ■ Donor reports provided regularly
- ■ Restricted gifts honored
- ■ Annual financial summary shared
- ■ Online giving systems secure
- ■ Donor retention tracked

Next Step: Schedule a Free Nonprofit Financial Strategy Call

Proverbs 24:3 Consulting provides nonprofit financial and leadership consulting rooted in faith and professional excellence.

Credentials: Licensed Accountant | Ordained Pastor | Church Planter | Doctorate of Church Administration | Doctorate of Christian Leadership