ROMAN

NONPROFIT FINANCE

Nonprofit Financial Readiness Checklist

A focused review for executive directors, board members, and finance leaders responsible for stewardship, compliance, and funder confidence.

Funds and grant stewardship

- ☐ Restricted, unrestricted, and board-designated funds are separately tracked and reconciled.
- ☐ Grant budgets, award periods, allowability rules, and reporting dates are documented.
- ☐ Grant expenses tie to the general ledger and supporting documentation.
- ☐ Cost-allocation methods are reasonable, documented, and consistently applied.
- ☐ Reimbursements, matching requirements, and remaining balances are monitored.

Board and management reporting

- ☐ The board receives timely financial statements with meaningful explanations.
- ☐ Actual results are compared with budget by program and funding source.
- ☐ Cash position, runway, restrictions, and major commitments are clearly shown.
- ☐ Leaders understand program economics, indirect costs, and operating reserves.
- ☐ Financial decisions and approvals are documented in minutes or records.

Controls and compliance

- ☐ Bank reconciliations and key balance-sheet accounts receive independent review.
- ☐ Payments, payroll, cards, purchasing, and journal entries follow defined approvals.
- ☐ System access and segregation of duties fit the organization's size and staffing.
- ☐ Federal, state, Form 990, payroll, and grant deadlines are on a compliance calendar.
- ☐ Conflict-of-interest, whistleblower, and document-retention policies are current.

Audit and continuity readiness

- ☐ Prior audit findings and management-letter items have documented resolutions.
- ☐ Schedules, agreements, invoices, approvals, and reconciliations are organized.
- ☐ Functional expenses and in-kind contributions have reliable support.
- ☐ Finance procedures identify owners, reviewers, timing, and backup coverage.
- ☐ Key processes can continue during turnover, leave, or leadership transition.

Use unchecked items to build your next finance action plan.

Roman Services supports nonprofit cleanup, controls, grant reporting, and audit readiness.

hireroman.com | paul.roman83@gmail.com