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- Address organizational growth and changes in established fiscal policies and procedures.

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CONGRATULATIONS! You are taking an important step for the financial health of your organization.

As a nonprofit leader you are juggling many issues and concerns. We all know that a stressed organization operating with the best of intentions can still make ill-advised decisions, especially in the financial arena - and the results can be damaging. We also know that sometimes seeing a financial crisis is difficult. We want to make it easier so you can recover faster. And we want you to see the challenges before you end up in crisis.

The purpose of this tool:
• It is a tool for you. We don’t expect you to share the results with Foraker or others unless you choose to do that.
• It will provide an initial assessment of your financial stability.
• It is not all encompassing, but instead focuses on the big indicators of crisis.
• It is a start to a conversation to help you veer away from crisis.

How to use this tool:
• Gather a small team of trusted advisors (executive director, lead financial staff, board treasurer and/or board chair).
• Look closely at your financial practices as you answer each question honestly as a team.

Important tips:
• There is no passing or failing score for the assessment.
• This tool is for you. Use it to position your organization for success.
• If you answer “no” to any of the questions, it’s an indicator that financial problems could be on the horizon.
• If you have negative answers in the first two categories, your organization already has critical issues that need immediate attention.
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What next?
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**INDICATORS OF FINANCIAL CRISIS ORGANIZATIONAL SELF ASSESSMENT**

If you answer “no” to any of these questions, it’s an indicator that financial problems could be on the horizon. If you have negative answers in the first two categories, your organization already has issues that need attention.

<table>
<thead>
<tr>
<th>CRITICAL</th>
<th>YES</th>
<th>NO</th>
<th>DON'T KNOW</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you paying payroll taxes?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is cashflow adequate to support operations?</td>
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<td></td>
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</tr>
<tr>
<td>Does your organization have enough unrestricted cash to adequately fund activities that are not supported by grants?</td>
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</tr>
<tr>
<td>Are vendor payments, payroll, and payroll taxes paid on time?</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Are you using restricted (grant) funds for their intended purposes ONLY?</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

| SERIOUS                                                                 |       |     |            |     |
| Are the net assets of the organization positive?                       |       |     |            |     |
| Are bank statements being reconciled monthly?                          |       |     |            |     |
| Do you have a grants management process?                                |       |     |            |     |
| Are you in compliance with your grants/granting agency?                |       |     |            |     |
| Are grant revenues and expenditures being tracked in the accounting system using a unique identifier/code? |       |     |            |     |
| Are grant reports submitted on time?                                   |       |     |            |     |
| Do grant reports tie to the accounting system?                         |       |     |            |     |
| Do you have an annual budget?                                          |       |     |            |     |
| Do you project your cash flow for the future?                          |       |     |            |     |
| Are financial statements being reviewed and analyzed by senior staff (executive director) and the board of directors at least once a quarter? |       |     |            |     |
| Is the statement of activities (profit and loss statement/income statement) compared to budget and are variances understood? |       |     |            |     |
| Do you have unrestricted revenue sources?                              |       |     |            |     |
| Are payroll taxes being paid in accordance with IRS regulations?       |       |     |            |     |
| Is Form 941 (quarterly payroll tax report) filed on time and according to IRS regulations? |       |     |            |     |
| Are Forms 990/990T filed on time and according to IRS regulations?      |       |     |            |     |
| Are Forms W-2, W-2G, and W-3 filed on time and according to IRS regulations? |       |     |            |     |
| Are Forms 1099 and 1096 filed according to IRS regulations?             |       |     |            |     |

| CAUTIONARY                                                              |       |     |            |     |
| Are company credit cards being used for business expenses only?        |       |     |            |     |
| Are accounts receivable tracked via the accounting system?             |       |     |            |     |
| Do you have an accounts receivable collection process (i.e. invoices sent and tracked, statements issued, etc)? |       |     |            |     |
| Are accounts payable tracked via the accounting system?                |       |     |            |     |
| Are the net assets of the organization increasing?                     |       |     |            |     |
| If applicable, are gaming reports filed on time and according to state regulations? |       |     |            |     |
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**INDICATORS OF FINANCIAL CRISIS**

**ORGANIZATIONAL SELF ASSESSMENT**

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**Indicators of Financial Crisis**

*What to do after the assessment*

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