



Instructions for the introductory worksheet in

Identifying Board Officer Attributes

Purpose

The purpose of this exercise is to identify traits your organization will need in its board officers for the upcoming year and help supplement job descriptions for those positions. Giving the board an opportunity to reflect on what may be needed in the year ahead could be a very practical way to start thinking about board officers. The results may also be beneficial to the incoming board officers as a way to understand what the board feels is important.

Instructions

This exercise should ideally be done at least two to three months before board officer elections, but may also be beneficial even after board officers have been chosen.

At the board meeting, have a copy of the following exercise for each board member. Take ten minutes during the meeting to have each board member fill out the worksheet. After the meeting, compile the answers and review at the next board or committee meeting.

Follow-Up

At the following meeting, take some time to discuss the results as you begin to identify potential board officers. Or, provide the results to your nominating committee (or group responsible for identifying officers for the upcoming year). If you do not already have one, you may want to consider creating a Nominating Committee.

If officers are already in place, provide them with the responses so they may begin to understand what attributes the board feels are important.

Note: For examples of board officer job descriptions and Nominating Committees, see our Resource Library at www.nonprofitsteward.org



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Introductory worksheet in

Identifying Board Officer Attributes

Part One: **Personal Qualities**

Take a moment and think about the personal qualities you think your board officers should have. Keep in mind the strategic goals your organization has planned in the coming year.

President	Secretary	Treasurer

Examples:

- Able to keep information confidential
- Strongly committed to the mission
- May need to be comfortable speaking to the media

Part Two: **Technical Skills**

Take a moment and think about the technical skills each of your board officers should possess. Again, keep in mind the strategic goals your organization has planned in the coming year.

President	Secretary	Treasurer

Examples:

- | | | |
|-----------------|--|---|
| • Run a meeting | • Able to organize important documents | • Able to understand and convey financial information |
|-----------------|--|---|

Note: Some skills may be developed while the person is in office.



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Instructions for the introductory worksheet in

Board Officer Succession Planning

Purpose

The purpose of this exercise is to help your board jump-start its thinking about future leadership needs. Before the board finds itself wishing and hoping for someone capable to fill critical roles, use this activity to plan ahead.

Instructions

Prior to your next board meeting, make a copy of the following exercise for each board member. Take 10 minutes during the meeting to have each board member fill out the worksheet. After the meeting, compile the answers and review at the next meeting.

Follow-Up

You may want to assign follow-up to a task force or existing committee to build a small action plan for how your board should begin to implement a process to groom board members into board leadership positions. Use the below format to create a plan.

Activity	When	Cost (if any)	Collaborators
1.			
2.			
3.			

Note: You may also want to have your current board officers fill out Part 2 of the Emergency Succession Planning 10 Minute Board Exercise. The exercise can be found here:
<http://www.nonprofitsteward.org/resources-2/10-minute-board-exercise-series/>

This 10 Minute Board Exercise was developed in collaboration with:

Heidi Henry, Banner Non-Profits, LLC

Heidi is co-owner of Banner Non-Profits, a nonprofit consulting firm. For fifteen years she has worked with boards on governance planning and training as well as on organizational business planning and fund development strategies. Visit Heidi at www.bannernonprofits.com.



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Introductory worksheet in

Board Officer Succession Planning

Section One: Take a moment and think of a time when you accepted a leadership role.

a. What inspired you to say yes?

b. What was in place that made the transition to leadership a good experience?

Section Two: Now think about your current organization and the future of the mission.

a. Do you have a process in place for moving people into board leadership jobs?

Circle one: Yes No

b. If so, is there anything that you would change or add?

c. If not, what might make the culture of developing board leadership easier?

Below is a checklist of items you may consider. Check items that may work for your organization.

- | | |
|--|--|
| <input type="checkbox"/> The Vice President becomes the President | <input type="checkbox"/> The president of the board makes time to have coffee with potential board leaders to discuss why they may be good candidates for the executive team |
| <input type="checkbox"/> All executive team members are required to attend leadership training | <input type="checkbox"/> Update the current board member job description to include a line item regarding willingness to step up to a leadership role |
| <input type="checkbox"/> All executive team members have clear job descriptions outlining the duties and time involved | <input type="checkbox"/> The governance committee identifies future leaders |
| <input type="checkbox"/> Each board meeting leading up to elections has time built into the agenda to discuss the up-coming executive team positions for the following year. | <input type="checkbox"/> The board nominating committee includes leadership capabilities in recommending new board members |
| <input type="checkbox"/> The board does an asset mapping exercise once a year to determine the general board members' skills for future leadership development | |

d. Other ideas?



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Instructions for the introductory worksheet in

Building a Dashboard

Purpose

This exercise will help your board get started creating a Dashboard Report for board or committee meetings.

Instructions

Make copies of this worksheet for each person at your board or committee meeting. Have the board chair review the handouts beforehand in order to guide everyone through the activities. You may want to have key staff complete the exercise as well. Your board may choose to complete this worksheet individually or collaborate in teams of 2 or 3.

Follow-Up

Assign someone to compile the data from the 10 Minute Board Exercise. As a group, discuss which categories and indicators will be most helpful to include. You may want to assign the Dashboard Report to a committee or ad-hoc team to implement and check-in on progress on your Dashboard Report. See the "research tips" below to help the committee develop the dashboard.

Research tips for the Dashboard Committee or team:

1. Using the compiled information from the exercise, get a feel for the most popular indicator requests and determine what you most need to track. Start out with a few key aspects on your Dashboard knowing that you will build it up and make changes over time. *Overall, less is more when it comes to a Dashboard.*
2. Talk with similar organizations that have already started using a Dashboard and get examples, if possible, so you can see what is working for other organizations.
3. Is information for each component that you would like to include on your Dashboard currently available?
 - ❖ If it is, who collects it and in what format is it reported?
 - ❖ If not, what resources are available to gather the needed information, what processes would need to be put into place to collect it, and how costly would it be to collect? Sometimes it is not worth the resources it would take to gather and present certain data versus what that data will tell you - you need to be mindful of your 'return on investment'.
 - ❖ Once you have chosen which indicators to track, define ranges for each to determine what would constitute a warning or celebration.
 - ❖ How would you present the information on your dashboard - a pie chart, or a bar graph? There are many ways to present data and information and your Dashboard Team will want to determine the most appropriate format.

Remember: The report will evolve over time. Start with a simpler Dashboard and build from there.

This 10 Minute Board Exercise was developed in collaboration with:

Adrienne Graham, owner - Leapfrog Training & Facilitation

Leapfrog provides customized training, facilitation, coaching and support services to help increase the vitality and effectiveness of non-profits and community organizations. Visit Adrienne at www.leapfrogtraining.com



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Building a Dashboard

Step 1: Selecting your Dashboard indicators

Think about a dashboard on your car. What key indicators are provided and how they are displayed to help you as a driver? Use this exercise to help you decide which organizational gauges would help you as a board member.

Pick the top three categories from the items below that you would like to see included on a dashboard report at board meetings. You may also select some that are not on this list –that's OK! Which of the following categories would be a good place to start your Dashboard?

Dashboard Categories

- ☐ Fundraising goals
- ☐ Grant deliverables
- ☐ Finances
- ☐ Strategic planning goals and strategies
- ☐ Program goals
- ☐ Staffing
- ☐ Volunteers
- ☐ Members

- ☐ Marketing goals
- ☐ Communications (internal or external)
- ☐ Social networking
- ☐ Technology
- ☐ Demographics
- ☐ Client satisfaction
- ☐ Risk factors

Other:

- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

Step 2: Expanding on your selections

From your selections above, list what type of information would be most helpful for the board to monitor within each category - what would you like to measure and follow over time. Be selective! You want to focus on what will really inform you in your role as a board member and what is important to your organization to focus on. A list of sample indicators is provided on the following page.

Category 1: _____

Category 2: _____

Category 3: _____

Examples for the worksheet in

Building a Dashboard

Sample Dashboard Indicators

Below are three sample categories and a list of potential areas of focus for each category.

Category 1: Fundraising Goals

- Funding mix
- Number of donors (or NEW donors)
- Number of memberships (or # of NEW members)
- On track to meet overall goal?
- Number of event sponsorships

Category 2: Finances

- # of months of cash in reserve
- Are we on track to meet revenue goals?
- Expenses within 10% of budget
- Monthly trends (year-over-year)

Category 3: Volunteers

- Number of new volunteers
- Number of volunteer hours
- Number of open positions
- Turnover rate

Dashboard Example

A simple dashboard can be created to provide a snapshot of key indicators. Use only the most useful categories / indicators to keep the dashboard simple, streamlined, and relevant.

Note: These examples are based on a fictional nonprofit and are not best practice benchmarks.

Funding Mix



- Grants 15%
- Earned Income 55%
- Donations 30%

Month-End Trends

	Mar 2014	Mar 2013	Mar 2012
Revenue	\$8,250	\$7,900	\$7,250
Expenses	\$6,900	\$6,500	\$6,200

Months of Cash

March	February	January	Average
3.7	3.9	3.5	3.7

Fundraising

	This Month	Monthly Goal
# of New Donors	29	30
	YTD	YTD Goal
Total Donors	80	90
Total Raised	\$4,500	\$7,500



Instructions for the introductory worksheet in

Emergency Succession Planning

Purpose

The purpose of this exercise is to raise your board's awareness of the need to prepare for a sudden departure or unavailability of a key leader. It should also give you a good start in identifying your current leader's abilities that are critical to the operation of your organization.

Note: This exercise is designed for organizations without an Emergency Succession Plan in place.

Instructions

This exercise is in two parts.

- **Part 1 is designed for your board members to complete:**

Make and distribute a copy of this handout to each board member at your next board meeting. Take 10 minutes and ask the board to thoughtfully answer the questions.

- **Part 2 is for your key leader(s):**

Distribute Part 2 to your key leader(s) and ask that it be completed within two weeks. Although this could take a significant amount of time, ask them to try to complete it in less than an hour with short answers. At a later point this can be expanded upon.

- OR -

Have one of your board members sit down with your key leader(s) and fill out the form together.

Follow-Up

After both parts are complete, ask someone to compile and summarize the information for each question. Then, bring the summary back to a board meeting. This should be a good starting point in developing an Emergency Succession Plan. It may be an excellent project for a committee.

See our website for an *Emergency Succession Plan template* and other resources on this topic:

www.nonprofitsteward.org



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Introductory worksheet in

Emergency Succession Planning

Part One: For the board to complete.

a) What is the name of your key organizational leader(s) - the person(s) you consider vital to your organization?

b) What personal characteristics make your key leader(s) important to the organization and its programming?

-
-
-
-
-
-

c) What specialized knowledge, skills and relationships does your key leader(s) possess?

-
-
-
-
-
-

If the person listed above suddenly departed their position, do you have a suggestion of someone who could immediately fill this role in an interim capacity? If so, please note their name: _____

If not, what would you do?



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Emergency Succession Planning

Part Two: For the key leader(s) to complete.

The board is currently working on the topic of risk management and ways to protect the organization. One of the many aspects of risk management is protecting our leadership in case of unexpected departure or unavailability. Please help us identify how we would approach putting together an Emergency Succession Plan by taking a few minutes to fill out this form.

1. What specialized knowledge and skills do you possess that are of critical importance to the organization?

-
-
-
-

2. What relationships do you maintain that are of significant importance to the organization?

-
-
-
-

3. If you were to suddenly vacate your position (due to either planned or unplanned events) what challenges might occur?

-
-
-
-

4. Of your responsibilities, which would immediately need to be addressed to keep the organization running? (What would someone filling in as an interim need to be aware of?)

-
-
-
-

5. What do you know that no one else knows?

6. Do you have a suggestion of someone who could quickly and capably fill in on an interim basis?

How do you feel the board should approach identifying someone?

If the person listed above suddenly departed their position, do you have a suggestion of someone who could immediately fill this role in an interim capacity? If so, please note their name: _____

If not, what would you do?



Instructions for the introductory worksheet in

Evaluating Your Funding Mix

Purpose

It's critical that you have an overall understanding of the business model of your organization. That way, when big decisions come up and ideas for new programs or revenue sources are discussed, you'll know how they'll fit into the overall picture of your organization. By knowing where your funding comes from, you can determine if you have a good mix of income sources or whether you are too dependent on only one or two sources.

Instructions

Have your Board Treasurer complete Part 1 (a filled-in example of Part 1 is provided). Distribute copies of your Treasurer's completed version of Part 1 and a blank copy of Part 2 to each board member during your next board meeting. Take 10 minutes to have each board member review the Treasurer's findings in Part 1 and then fill out Part 2 of the worksheet. After the meeting, compile the answers and review at the next board or committee meeting.

Follow-Up

At the following meeting, take some time to discuss any concerns that were uncovered by doing this exercise.

You may want to assign a task force or committee to build an action plan for Part 2, Question 3. You may use the following table to help organize tasks.

	Action Item	Resources Needed	Who Will Champion This Task?	Due Date
1.				
2.				
3.				

This 10 Minute Board Exercise was adapted from a practice created by Grady Goodall for the Center for Nonprofit Stewardship's eLearning Course for Board Members, of which he is a presenter. For more information about the course, visit our website at:

www.nonprofitsteward.org/eLearning



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Evaluating Your Funding Mix

Part 1: For the Board Treasurer to complete.

Section 1 - Determining the Mix

Use your organization's current budget or last year's end-of-year Profit & Loss Statement to determine major revenue sources. Enter the amounts into the corresponding fields below. You may need to combine some items to make them fit into the categories.

From this information, draw the estimated portions on the blank pie chart below.

Possible Major Revenue Sources

Fundraising \$_____ %*
(donations, events, sponsorships, etc.)

Earned Income \$_____ %
(program revenue, contracted services, sales, etc.)

Membership Dues \$_____ %
(if a membership organization)

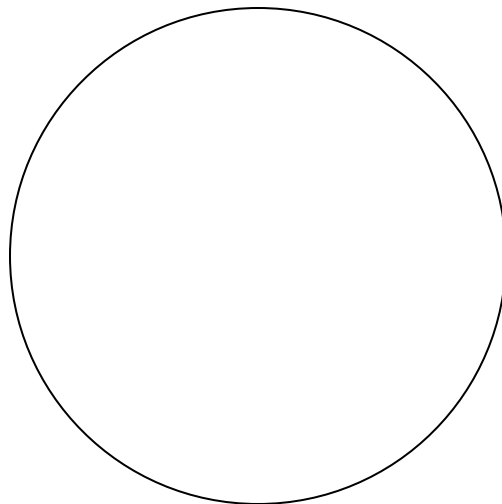
Grants \$_____ %

Investments \$_____ %

Other: _____ \$_____ %

Total: \$_____ (*to determine the %, divide the line item amount by the total)

Revenue Pie Chart



Section 2 - Determining the Risks

How stable is the funding in each of the individual categories? Are there trends in your field or other factors that could affect your future funding mix?



Introductory worksheet in

Evaluating Your Funding Mix

Part 2: For the board to complete.

Section 1 - Checking In

1. Take a moment to review the findings from Part 1 (completed by your Treasurer) and consider if you are comfortable with your organization's current funding mix. Then, complete the sentences below.

What looks good here is...

The part of this mix that makes me uncomfortable is...

I need more information about...

2. Is the funding mix what you thought it would be?

☐ I had no idea what to expect

☐ Yes

☐ No, I thought ...

Section 2 - Questions to Consider

1. What would happen if one of your major funding sources suddenly went away?
What is a possible Plan B?

2. Will this same funding mix work for your organization in 1, 3, 5 years?

3. If no, what needs to be put into place now to get ahead of the transition or become more stable?



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Example

Introductory worksheet in

Evaluating Your Funding Mix

Note: The figures below are for example only and are not best practice benchmarks.

Part 1: For the Board Treasurer to complete.

Section 1 - Determining the Mix

Use your organization's current budget or last year's end-of-year Profit & Loss Statement to determine major revenue sources. Enter the amounts into the corresponding fields below. You may need to combine some items to make them fit into the categories.

From this information, draw the estimated portions on the blank pie chart below.

Possible Major Revenue Sources

Fundraising \$ 30,000 30 %*
(donations, events, sponsorships, etc.)

Earned Income \$ 20,000 20 %
(program revenue, contracted services, sales, etc.)

Membership Dues \$ 0 0 %
(if a membership organization)

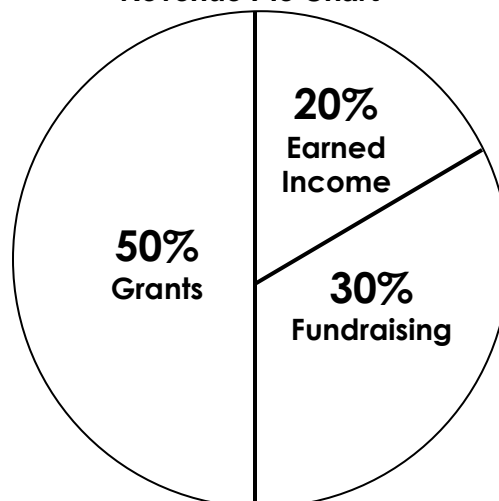
Grants \$ 50,000 50 %

Investments \$ 0 0 %

Other: \$ 0 0 %

Total: \$ 100,000 (*to determine the %, divide the line item amount by the total)

Revenue Pie Chart



Section 2 - Determining the Risks

How stable is the funding in each of the individual categories? Are there trends in your field or other factors that could affect your future funding mix?

For instance: 50% of our revenue comes from grants. If we are not able to receive this funding, our budget would be drastically reduced. Factors that may affect this are availability of grants, the number of applications submitted by other nonprofits, the time spent by our staff to apply for grants, and our relationships with our funders.



Introductory worksheet in

Risk Management

Instructions: Make a copy of this handout for all of your board members. Take 10 minutes at your board meeting and ask each member to complete it. Assign someone to collect and summarize the answers. You should begin to see where your organization's vulnerable points are. Visit the Center for Nonprofit Stewardship's Resource Library to help you continue exploring this topic: www.nonprofitsteward.org

Identify the "Key People" in your organization (Staff, board members, volunteers)

-
-
-
-

What could happen to the organization if these people suddenly left their position?

List the major sources of your "Income"

-
-
-
-

Where does your income come from and what could dramatically affect it? For example, the majority of your funds coming from one source, etc.

Describe your organization's "Reputation"

What events or crises could affect the reputation you've built over the years?

List your organization's "Property"

(Ex: equipment, borrowed equipment, a building, cash, investments, etc. that you own)

-
-
-
-

What could be some of the risks to your "property"?

Here are a few key "Organizational" risks:

- Annual IRS return filing – Form 990, 990-EZ or 990-N (Risk = loss of tax exempt status)
- Annual Secretary of State filing (Risk = loss of corporate status)
- Periodic data backup offsite (Risk = loss of key data)
- Data security (Risk = personal/"protected" information getting into the hands of others)

What protections do you have in place to ensure these are handled?

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Introductory worksheet in

Social Enterprise

Instructions: Copy this exercise for all board members and leadership staff. Take 10 minutes to complete and then summarize the answers. This is the first exercise in a series that will introduce your team to the concepts of social enterprise (earned income) and show you the steps required to become a successful entrepreneurial organization. You start by setting goals.

What social enterprise is: Unrestricted renewable revenue that supports the organization's mission and is usually generated through payment for services or sales of tangible products.

What social enterprise is not: Traditional fundraising such as grants, events, special events and donations which can often be restricted and not renewable.

- Do you rely on one (or a few) key funding sources? What are they?
- Is a significant amount of your revenue restricted for a specific purpose? What percentage of your budget?

- If you could earn unrestricted income (revenue that may be used for any purpose) for your organization, what mission goals would you like to achieve? (For example, what can't you afford to do currently?)

- How much money do you think is required to achieve these mission goals?

- Do you know of any nonprofits who have a social enterprise? (See definition above). Who are they? What is their enterprise? Are any of them contacts you could use as a resource as you consider social enterprise?

Created in collaboration with Jean Block, Nonprofit Consultant

Jean Block Consulting, Inc. and Social Enterprise Ventures LLC

Jean is a nationally recognized consultant and trainer in nonprofit management, board development and governance, FUNdraising, and social enterprise. She has more than 45 years of nonprofit experience in leadership positions as both board and staff for local, regional and national nonprofits. Jean presents workshops and consults on nonprofit management and social enterprise across the US. She is based in Albuquerque, New Mexico and is the author of several nonprofit books and training manuals. Learn more about Jean at www.socialenterpriseventures.com.



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Introductory worksheet in

Identifying Your Programming Stakeholders

Purpose

This board exercise will clarify methods being used by your organization to process financial transactions. It will identify who currently handles different accounting tasks and indicate if there is adequate segregation of duties. By evaluating and strengthening your nonprofit's internal accounting controls, organizational financial assets will be better protected against theft.

Instructions

Make a copy of this handout for each board member. Take 10 minutes at your next board meeting and ask each board member to complete it. Assign someone to collect and categorize the answers. Note: An example worksheet has been included for your reference.

Follow-Up

At the following board meeting, present the compiled answers to the board for discussion.

- Review the list of groups and individuals.
- Prioritize - Which stakeholders do you want to build or strengthen relationships with this year?
- Who do you already have direct relationships with?
- Who would you like to have direct connection with?
- How could you make those direct connections?
 - Do you know people who might be able to connect you?
 - Who in your organization or board would be best to make contact?
 - Are there events you could attend where they would be present, or do you host an event that they could be invited to?
 - Could you call them and invite them to lunch?
- Select strategies and assign responsibility for building each relationship.

This 10 Minute Board Exercise was developed in collaboration with:

Tasha Harmon, New Perspectives Coaching, Training & Facilitation

Tasha combines over 25 years of professional experience in the nonprofit sector with her skills as a co-active coach to help those who want to work more easily, creatively, and effectively to accomplish their good work.

If you have questions regarding this board exercise, please contact either the Center for Nonprofit Stewardship or Tasha Harmon. Tasha's contact information is:

email: Tasha@Tasha-Harmon.com **phone:** 503-788-2333 **web:** www.Tasha-Harmon.com



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Introductory worksheet in

Identifying Your Programming Stakeholders

Instructions: Take 10 minutes at your next board meeting and ask each board member to complete this form.

Step 1: Identifying Key Groups or Organizations

What groups or organizations have a stake in what we do? Who do we serve? To whom does our work make a difference? Who in our community values our work because of their own goals or mission?

Step 2: Identifying Key Individuals

Who are individuals that would be valuable connections? Be sure to consider individuals from within the above groups. If you do not have a name, consider listing specific roles (Executive Director, Board Member, etc).

Step 3: Benefits of Stakeholder Relationship

Pick the top three groups or individuals identified above and list what strengthening your relationship with them could bring to your organization. It is also important to consider what *they* might need from *your* organization.

1)

2)

3)



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Introductory Worksheet in Internal Accounting Controls:

Internal Control Questionnaire

Purpose

This board exercise will clarify methods being used by your organization to process financial transactions. It will identify who currently handles different accounting tasks and indicate if there is adequate segregation of duties. By evaluating and strengthening your nonprofit's internal accounting controls, organizational financial assets will be better protected against theft.

Instructions

Step One Select one person from your board who is willing to compile the answers to this short questionnaire. This person should not be involved in the financial processes of your organization in any way (doesn't write checks, sign checks, prepare financial statements, reconcile bank accounts, etc).

Step Two Make a copy of the questionnaire for each board member and take 10 minutes during your board meeting to have everyone complete it. Return completed questionnaires to the person selected above.

Note: Do not distribute this instruction page with the questionnaire.

Step Three Either before your board meeting or after, distribute this same questionnaire to:

- a. **All staff.** If you are a large organization limit this to individuals who are involved in the financial process. Be sure to include those individuals who handle other financial activities as well (i.e. opening the mail, if you receive payments this way).
- b. **Any committee members** who handle financial activities (you may need to check to determine if committees have their own checking accounts).
- c. **Any volunteers** who handle financial activities.
- d. **Any subcontractors** or others outside your organization who handle any of your financial activities.

NOTE: Make sure the completed questionnaires go directly to the person above. This can be accomplished by providing an addressed, stamped envelope for this purpose.

Follow-Up

The answers to the questionnaire will give you the first opportunity to see an overview of "who handles what part" of your accounting process. Check on such best practices as:

- Not having the same person writing and signing checks;
- Not having the same person handling many aspects of the process;
- Not making debit cards available (which are much higher-risk than credit cards); etc.

Your organization's board needs to annually discuss how much risk is acceptable and alter your system accordingly. You may need professional help with this. There may be someone with a financial background in your community who would be willing to help with this activity.

CNS will be continuing this topic in future eNewsletters.



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Introductory Worksheet in Internal Accounting Controls:

Internal Control Questionnaire

Your Name: _____ Today's Date: _____

Your Title: _____ How long have you been in this position? _____

Your Role: ☐ Employee ☐ Volunteer ☐ Board Member ☐ Independent Accountant / Bookkeeper
☐ Other (describe): _____

Do You...	Always	On Occasion	Never
Disbursements:			
• Approve invoices	_____	_____	_____
• Write checks: <input type="checkbox"/> Regular <input type="checkbox"/> Payroll	_____	_____	_____
• Sign checks: <input type="checkbox"/> Regular <input type="checkbox"/> Payroll	_____	_____	_____
• Mail / distribute checks after they are signed	_____	_____	_____
Bookkeeping:			
• Handle day-to-day bookkeeping	_____	_____	_____
• Prepare financial reports / statements	_____	_____	_____
• Receive & review bank statements	_____	_____	_____
Electronic banking:			
• Pay bills electronically	_____	_____	_____
• Transfer funds between accounts	_____	_____	_____
• Handle other online banking (describe below)	_____	_____	_____
Revenue:			
• Handle incoming revenue (describe below)	_____	_____	_____
• Prepare deposit slips	_____	_____	_____
• Make bank deposits	_____	_____	_____
Compute payroll	_____	_____	_____
Open the mail	_____	_____	_____
Have an organizational: <input type="checkbox"/> Credit Card <input type="checkbox"/> Debit Card	_____	_____	_____
Handle cash (describe below)	_____	_____	_____

Please list your other financial and nonfinancial duties here (use back if needed):



Disclaimer: This information is not a substitute for competent legal and accounting advice rendered on your particular fact situation and planning goals. Laws and procedures change frequently and are subject to different interpretations.

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Instructions for the introductory worksheet in

Recordkeeping

Legal Records

Purpose

This exercise will help you identify the records that are essential to your organization and how best to manage their retention. Not only do sound records demonstrate fiscal responsibility and accountability to donors, they are also necessary to demonstrate legal compliance to regulators and transparency to other stakeholders.

Instructions

Step 1: Prior to your next board meeting, have your Board Secretary complete the worksheet in **Part 1**. Highlight any items that warrant board consideration. See the below example for a detailed description of each heading and sample filled-in rows:

Legal Records	Is this record <i>legally required</i> or <i>optional, but recommended</i> ?	Does your organization currently keep this record? Circle one: Yes No Recommended: Yes for all	Where is this record currently stored? Recommended: In a secure file cabinet or computer at the organization's office. Avoid home storage when possible. Cloud storage is recommended if there is no office.	What type of security precautions are currently used for this record? Recommended: Paper - Secure at office in locked cabinet or file room when not in use. Electronic - Password protected. Perform regular, periodic off-site backups.	For how long does your organization currently retain this record? (3 years, 7 years or permanently?)
		In what form is this record currently kept? Circle one: Paper or Electronic Note: Either form is acceptable.			Recommended record retention period listed.
Bylaws	Required	<input checked="" type="radio"/> Yes No	On the Executive Director's computer at the office.	BI-weekly backups on external hard drive. Computer is password protected.	Permanently
		Paper or <input checked="" type="radio"/> Electronic			Permanently
Public Disclosure Documents	Required	Yes No [?]	Unsure		??
		Paper or Electronic			Permanently

Step 2: After the Secretary completes **Part 1** of the worksheet, make copies for all board members of both the completed **Part 1** and blank **Part 2** worksheets.

Step 3: At your next board meeting, ask the Secretary to report his or her findings to the board. Then, distribute the above copies and ask the board to take 10 minutes to complete **Part 2**.

Follow-Up

Collect the responses and compile the answers. At the next board meeting, discuss the responses and design an action plan.



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Recordkeeping Legal Records

Part 1: **Worksheet for the Board Secretary to complete. Note: State statutes vary; these are general guidelines.**

	Is this record legally required or optional, but recommended?	<p><i>Does your organization currently keep this record?</i> Circle one: Yes No Recommended: Yes for all</p> <p><i>In what form is this record currently kept?</i> Circle one: Paper or Electronic Note: Either form is acceptable.</p>	<p><i>Where is this record currently stored?</i> Recommended: In a secure file cabinet or computer at the organization's office. Avoid home storage when possible. Cloud storage is recommended if there is no office.</p>	<p><i>What type of security precautions are currently used for this record?</i> Recommended: Paper - Secure at office in locked cabinet or file room when not in use. Electronic - Password protected. Perform regular, periodic off-site backups.</p>	<p><i>For how long does your organization currently retain this record?</i> (3 years, 7 years or permanently?)</p> <p>Recommended record retention period listed.</p>
IRS Determination Letter and Form 1023 or 1024 application*	Required^	Yes No Paper or Electronic			Permanently
Articles of Incorporation (if incorporated)	Required	Yes No Paper or Electronic			Permanently
Bylaws	Required	Yes No Paper or Electronic			Permanently
Board meeting minutes; email votes, written ballots; committee actions†; meeting notices; financial statements	Required	Yes No Paper or Electronic			Recommend Permanently
Meeting Agendas and Committee Meeting Minutes	Recommended^^	Yes No Paper or Electronic			Recommend Permanently
IRS Form 990 Information Returns	Required	Yes No Paper or Electronic			Permanently
A copy of your filed corporate status renewal & state filing requirements**	Filing = Required Copy of filed form = recommended	Yes No Paper or Electronic			Permanently
Public Disclosure Documents ‡	Required	Yes No Paper or Electronic			Permanently
Governance Policies	Recommended	Yes No Paper or Electronic			Permanently
Membership List (if a member organization)	Required	Yes No Paper or Electronic			Permanently
Contracts, Leases and Agreements	Required	Yes No Paper or Electronic			Permanently
Insurance Policies	Recommended	Yes No Paper or Electronic			Policy Life + 3 Years
List of Directors from Current and Past Years	Required	Yes No Paper or Electronic			Permanently

* In certain circumstances the filing of Form 1023 or Form 1024 may not be required. Check with your attorney or accountant.

† Committees acting on behalf of the board are required to keep minutes.

** Find your state filing requirements at: <http://www.irs.gov/Charities-&-Non-Profits/State-Links>

‡ The IRS requires that your organization must make available for public inspection the following documents: Previous three years of IRS Form 990/ 990-EZ / 990-N; original Application for Exemption (Form 1023 or form 1024)*; original Determination Letter sent to you by the IRS granting your organization tax exempt status (also Form 990-T if applicable).

^ **Required** = Mandated under a law or by an authoritative entity.

^^ **Recommended** = Advised or suggested as appropriate, beneficial, or the like.

Recordkeeping

Legal Records

Part 2: Worksheet for the board to complete.

1) Of the areas where your organization is not in line with the recommendations, which do you feel are the highest priority to address in the year ahead?

2) Are you satisfied with the current practices regarding the STORAGE locations of your organization's important documents? How could these measures be improved?

3) Are you satisfied with the current practices regarding the SECURITY and protection of documents? How could your organization improve these measures?

4) Are you satisfied with the current practices regarding the BACK UP of your organization's important documents? How could these measures be improved?
