

ORGANIZATIONAL FINANCIAL MANAGEMENT BEST PRACTICES

The following is a listing of Best Practices for Organizational Financial Management. Read them and add to this list from your own experience.

- Always have timely and accurate monthly financial reports for Management and the Board.
- Distribute financial tasks appropriately to minimize the threat of fraud or abuse.
- Establish financial policies and have them written in a Financial Management Guide and approved by the Board of Directors. Follow it and keep it updated.
- Hold Financial Meetings with management monthly and have an established agenda which can include: review of financial report, cash balances, expenditure, and revenue. Show bank reconciliations. Review expenditures by Line of Business. Include Executive Director, Program Directors, and Finance Director. Discuss any financial issues that need attention.
- Utilize your CPA during the year with questions, when establishing new policies, when wanting to know when what impact a transaction will have on financial reports, etc.
- Have an active Finance Committee or Executive Committee of the Board of Directors. Provide Treasurer with financial reports so he/she can give them or recommend them for approval to the Board.
- Train Board members, Program Managers, and staff to understand financial reports and statements.
- Consider providing financial reporting to staff so they can see financial condition of the organization they work for
- Make sure proper insurances are in place to protect the organization's assets to include liability, fire, theft, directors and officers, professional liability, construction, cyber, etc. Meet every year with your insurance broker to share what the organization is involved with. Have insurance broker meet with Board to provide an insurance summary annually or every two years.
- The Board may want to have Board restricted reserve accounts to assure finances are available for things such as building and equipment, operations, succession, etc.
- Have the auditor present the audit to the Board of Directors each year and answer questions.