## Standards of Excellence in Nonprofit Financial Management

### Outcome: Informed Strategic Financial Decision-Making

<table>
<thead>
<tr>
<th>Standards</th>
<th>Indicators</th>
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<tr>
<td>Risk Management:</td>
<td>The organization has a process for identifying and quantifying the financial impact of changes in the operating environment (e.g., new legislative requirements).</td>
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<td>Financial Monitoring:</td>
<td>Organizations plan based on relevant data and historical performance, while maintaining a strategic look to the future.</td>
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<tr>
<td>Financial Monitoring:</td>
<td>Organizations monitor financial results promptly, based on reliable and relevant reports which form the basis for overall team decision making.</td>
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<td>Contract &amp; Grants Management:</td>
<td>Organizations have the tools and capacity to effectively evaluate current and new funding opportunities.</td>
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<td>Finance Operations:</td>
<td>Organizations operate efficiently with the appropriate fiscal staffing structure, internal controls, accounting software, and workflow systems.</td>
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<td>Governance:</td>
<td>The Board of Directors provides oversight of the organization’s financial operations and ensures transparent disclosure of information.</td>
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Adapted from the Strengthening Financial Management Initiative, funded by The Wallace Foundation and delivered by Fiscal Management Associates, LLC

For tools to support nonprofits’ efforts to meet these standards, visit StrongNonprofits.org
## Standards for Nonprofit Financial Reporting

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<tr>
<th>Monthly Reports – For Executive/Senior Staff</th>
<th>Quarterly Reports – For the Board of Directors and Senior Staff</th>
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| 1) **Monthly Executive Liquidity Reports** that include the following Key Performance Indicators:  
   a) Unrestricted Cash and Cash Equivalents on Hand  
   b) Days Cash on Hand with Available Line of Credit  
   c) Accounts Payable Days Outstanding  
   d) Accounts Receivable Days Outstanding  
   e) Quick Ratio  
2) **Supporting Reports** that include the following:  
   a) Cash Flow projections that include and specify line of credit usage  
   b) Accounts Payable aging report  
   c) Accounts Receivable aging report  
3) **Other Reports:**  
   a) Budget-to-actual reports for the organization  
   b) Budget-to-actual reports for each program  |
| 1) **Management Narrative/CEO-ED report**  
2) **Performance Dashboard** based on Key Performance Indicators (KPIs)  
3) **Supporting Reports** that include the following:  
   a) Statement of Financial Position (Balance Sheet)  
   i) Summary of Accounts Payable aging status  
   ii) Summary Accounts Receivable aging status  
   b) Cash Flow projections that include and specify line of credit usage  
   c) Budget-to-actual reports for the organization  
   d) Budget-to-actual reports for each program  |

*Note: Reports should be published within 20 business days of the monthly close*